

Los Angeles County:

**Budget Challenges Continue, and
the Sheriff's Department Could
Achieve Savings**

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CALIFORNIA STATE AUDITOR

November 21, 1996

96019

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As required by Chapter 518, Statutes of 1995, the Bureau of State Audits presents its audit report concerning Los Angeles County's (county) fiscal condition. This report concludes that the county was successful in achieving a balanced budget for fiscal year 1995-96; however, the county is dependent on departments making additional cuts of \$51 million to achieve a balanced budget for fiscal year 1996-97. Also, the county still needs to find a funding source for the estimated cost of \$48.5 million to operate its probation camps during fiscal year 1996-97. Future fiscal challenges continue to face the county, including the effects of federal welfare reform, litigation surrounding the general relief program, and finding long-term solutions to the county's ongoing budget problems.

As part of this audit, we also reviewed the Los Angeles County Sheriff's Department (LASD). We believe that the LASD could achieve savings of \$4.3 million annually by converting the positions of some sworn officers that perform administrative work to civilians. In addition, the LASD could save \$25.4 million to \$33.6 million annually by employing civilian corrections officers, instead of sheriff's deputies, as custody staff in the jails. However, we recommend that the LASD further study the feasibility of this conversion before making a change. The LASD could save an additional \$1.2 million annually by closing the jail bakery and purchasing baked goods from commercial sources.

Additionally, the LASD now has a plan to open the new Twin Towers jail; we found that this plan demonstrates imagination, willingness to take acceptable risks, and a greater concern for cost-effectiveness than the original plan to operate Twin Towers. However, we found that the LASD could further reduce budgeted costs to operate Twin Towers by \$3.4 million to \$4.9 million annually.

Respectfully submitted,

Mary P. Noble

for KURT R. SJOBERG
State Auditor

BUREAU OF STATE AUDITS

555 Capitol Mall, Suite 300, Sacramento, California 95814 Telephone: (916) 445-0255 Fax: (916) 327-0019

Table of Contents

<i>Summary</i>	<i>S-1</i>
<i>Introduction</i>	<i>1</i>
<i>Chapter 1</i>	
Los Angeles County Balanced Its Fiscal Year 1996-97 Budget but Faces Future Challenges	7
<i>Recommendations</i>	<i>19</i>
<i>Chapter 2</i>	
The Los Angeles County Sheriff's Department Could Reduce Costs by Converting Some Positions to Civilian Status and Contracting for Bakery Goods	21
<i>Recommendations</i>	<i>32</i>
<i>Chapter 3</i>	
The Los Angeles County Sheriff's Department Should Consider Employing Civilians as Custody Staff for Its Jails	33
<i>Recommendations</i>	<i>44</i>
<i>Chapter 4</i>	
The Los Angeles County Sheriff's Department Has Substantially Revised Its Plans for Operating, Staffing, and Funding the Twin Towers Correctional Facility	47
<i>Recommendations</i>	<i>58</i>
<i>Appendix A</i>	
Status of Issues Noted in Our Previous Audit of Los Angeles County	61

Appendix B

The Original Twin Towers Budget Requested More Funding Than Required To Meet Minimum Reasonable Staffing Levels	67
--	----

Responses to the Audit

Los Angeles County	73
--------------------	----

Los Angeles County Sheriff's Department	75
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<i>California State Auditor's Comments on the Response From The Los Angeles County Sheriff's Department</i>	99
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Summary

Audit Highlights . . .

Los Angeles County achieved all of its budget-balancing actions from fiscal year 1995-96.

For fiscal year 1996-97, the county needs to achieve \$51 million in departmental budget cuts.

We found the LASD could reduce county costs by:

☒ **About \$4.3 million by converting to civilian status the positions of 141 sworn officers.**

☒ **Over \$1.2 million by closing the jail bakery and contracting out for baked goods.**

☒ **Possibly \$25.4 to \$33.6 million by using civilian corrections officers instead of sheriff's deputies to staff its jails.**

The LASD's plan to open Twin Towers is imaginative, takes acceptable risks, and is more cost-effective than the original budget. However, it could reduce annual operating costs by an additional \$3.4 to \$4.9 million.

Results in Brief

Los Angeles County (county) is one of California's original 27 counties and is responsible for providing public welfare, health, and safety services to its citizens. Under the provisions of the California Government Code, Section 29088, the county must approve a balanced budget by August 30 each year, but the county can extend this date to October 2.

In a Bureau of State Audits' report issued in March 1996, we described the county's fiscal crisis and how it balanced its budget for fiscal year 1995-96. We also reported that the State's property tax shift to schools, the county's past reliance on short-term solutions to balance its budget, mandates imposed by the state and federal governments, and provisions in past employee collective bargaining agreements were the major causes of the county's fiscal crisis.

In this second of five audits that the California Government Code requires us to perform, we focused on whether the county achieved its uncompleted budget-balancing actions for fiscal year 1995-96 and how the county is balancing its fiscal year 1996-97 budget. Specifically, we noted the following conditions:

- The county achieved all of its budget-balancing actions from fiscal year 1995-96 and carried over a fund balance of \$284 million to its fiscal year 1996-97 budget. Specifically, the county received approval from the federal government for a \$346 million relief package designed to help the county restructure its health-care delivery system. In addition, while some county departments overspent their budgets, most did not. Taken together, county departments underspent their budgets by \$38 million in fiscal year 1995-96.
- The county balanced its fiscal year 1996-97 budget by making department budget cuts totaling \$51 million, receiving an additional federal government relief package of \$172 million for health care, using surplus earnings from its retirement system totaling \$223 million, and using the

prior-year fund balance of \$284 million. Budget-balancing actions of \$730 million are complete, except for department budget cuts of \$51 million that are in progress.

- The county has not identified a specific funding source for its probation camps for fiscal year 1996-97, but the county is working to obtain federal relief so that it can continue to operate these camps.
- The county will encounter more budget challenges in the future. The federal welfare reform bill, recently signed by the president, will significantly reduce the funding the county receives for federal welfare programs beginning in fiscal year 1997-98. In addition, the county faces several legal challenges over reductions in the amount of cash grants that it provides to indigent county residents.

As part of this second audit of the county and its fiscal problems, we also reviewed whether the Los Angeles County Sheriff's Department (LASD) could achieve savings for the county by converting some sworn officer positions to civilian status and by using civilian corrections officers instead of sworn officers as custody staff in its jails. In addition, we analyzed whether the LASD could achieve savings if, instead of producing its own bakery goods, the LASD bought these goods for the jails from an outside vendor. During our review, we found the following conditions:

- The LASD has approximately 8,000 sworn peace officers and generally uses them for law enforcement duties. These duties include functions related to jails, patrol assignments, detective work, courts, and other areas. However, we identified 141 positions held by sworn officers that require administrative duties that civilians could perform. Because the salary, benefit, and training requirements of civilian employees are generally lower than those for sworn officers, the LASD could save at least \$4.3 million annually by converting the sworn officer positions to civilian status.
- The LASD uses sworn officers to perform custody duties in the county's seven jails. However, a growing number of sheriff's departments in other California counties have begun to use lower-salaried civilian corrections officers to perform such duties. Employing civilian corrections officers has some disadvantages, but the resulting reduction in staffing costs is a major advantage to sheriff's departments and their counties. According to a review by our consultant, the LASD's potential savings in staff costs could range from \$25.4 million to \$33.6 million annually. Our review did

not delve into other advantages and disadvantages specific to Los Angeles County. Nonetheless, because the potential savings are so great and because the county seeks to improve its fiscal condition, the possibility of replacing sworn officers with civilian corrections officers at jails warrants detailed study by the LASD.

- The LASD operates a bakery to produce baked goods for the county's seven jails. We found that the LASD could save over \$1.2 million annually if it closed the bakery and purchased these baked goods from an outside vendor.

Our consultant reviewed the LASD's budget to open the new Twin Towers Correctional Facility (Twin Towers), a 4,192-bed jail completed in late 1995. Our consultant studied the following aspects of the LASD's plan for Twin Towers, which the LASD intends to open in January 1997:

- Budget constraints prevented the county from funding the LASD's original budget proposal of \$100.4 million to open and operate Twin Towers. The LASD and other county representatives then developed a revised plan and budget that demonstrates imagination, a willingness to take acceptable risks, and a greater concern for cost-effectiveness than the original budget proposal. Although it does not provide the 4,192 beds authorized in the original Twin Towers plan, the revised plan adds 1,818 beds to the county jail system, provides for contracting another 1,992 beds to state and federal agencies to obtain additional revenue, and transfers all female inmates from the Sybil Brand jail to Twin Towers while the Sybil Brand jail undergoes repair. The department proposes to operate the new facility at an increase in net county costs of only \$16.3 million for fiscal year 1997-98 instead of the \$100.4 million anticipated in the original budget proposal.
- Despite its many strengths, the revised plan and budget to open Twin Towers is based upon optimistic revenue assumptions. In particular, the plan relies on 100 percent use of the contract beds and a forecasted increase in revenues from public safety sales taxes. However, the LASD had not entered into contracts for jail beds as of October 1996. In addition, the LASD overstated by \$624,000 its estimate of revenue for contracting jail beds during fiscal year 1997-98, and the LASD has not determined the funding source for most of the capital improvements in the plan. The LASD is aware of these risks and may contract more jail beds to other agencies to offset any revenue shortfalls. Moreover, we and our consultant

found opportunities in the revised budget for the LASD to reduce the budget to operate Twin Towers by \$3.4 million to \$4.9 million annually.

- The LASD and the county realize that the opening of Twin Towers is not the ultimate solution to the serious problems created by the county's overcrowded and aging jail facilities. Additionally, the plan does not address the county's potential obligation to establish a licensed correctional treatment center within its jail system. This issue will require additional funding to resolve.
- Our consultant reviewed the LASD's original budget proposal for Twin Towers, which the county did not fund, and concluded that, in light of the county's financial constraints, the LASD requested more funding than the LASD needed to provide reasonable staffing levels.

Recommendations

To ensure achieving a balanced budget for the current and future fiscal years, the county should take the following steps:

- Closely monitor all departments affected by budget cuts to ensure that they reach their targeted reductions in net county costs.
- Implement Phase II of the 1115 Waiver, which is designed to help the county restructure its health-care delivery system.
- Continue its efforts to secure federal funds to finance its probation camps.
- Monitor closely the potential fiscal impacts of future budget challenges related to federal welfare reform and general relief litigation. In addition, the county should actively seek solutions to such challenges and attempt to mitigate potential negative fiscal impacts before they occur.

To use its sworn officers more efficiently and reduce county costs, the LASD should do the following:

- Within a reasonable time period, fill with civilian employees all 141 sworn officer positions we identified as having administrative rather than law enforcement duties.

- Identify whether it could convert additional sworn officer positions to civilian positions. Then, within a reasonable time period, the LASD should replace with civilian employees all of the sworn officers in these identified positions.
- Correct deficiencies in its automated personnel information management system to improve information available on duties that the LASD assigns its employees.

To determine the feasibility of replacing its deputies with corrections officers as jail custody staff, the LASD should take the steps listed below:

- Perform a thorough analysis of annual cost savings along with the other potential advantages and disadvantages of such a conversion.
- Present the study, along with recommendations, to the county board of supervisors for its review.

To reduce its costs to feed inmates in the county's jails, the LASD should close its bakery and purchase baked goods from commercial sources, and the LASD should consider other opportunities for obtaining services from contractors.

To improve the planning and budgeting process within the LASD and to address the corrections problems within the county, the LASD should take the following actions:

- Reevaluate the revised budget for Twin Towers to make additional reductions in the annual operating costs. In particular, the LASD should closely review whether it can reduce costs by using inmate workers and whether it will need all the positions transferred from the Sybil Brand jail. In addition, the LASD should reduce to more reasonable levels its budgets for services and supplies and for overtime.
- Continue its efforts to obtain the revenue needed to make its revised plan and budget successful. Specifically, the LASD should continue to pursue contracts with the state and federal governments to provide jail beds. In addition, the LASD should determine funding sources for the renovation of the Sybil Brand jail and other capital improvements.
- Carefully scrutinize future budget requests for facilities and programs, such as the upcoming request for reopening the Sybil Brand jail, to ensure that the requests represent

the most cost-effective plans. Also, in its future budget requests to the county, the LASD should consider submitting different options for service levels to allow the county to choose the ways it will implement the requests.

Agency Comments

In their response to our audit report, Los Angeles County's Chief Administrative Officer and Auditor-Controller generally agree with our recommendations related to the action the county must take to achieve future balanced budgets. The LASD, however, agrees with some of the recommendations that we have made regarding the LASD's operations, but does not agree with others. The LASD agrees that civilians could perform, at a lower cost, more of the work that is currently accomplished by sworn officers. The LASD has also agreed to study further our proposal to close its bakery and begin purchasing baked goods from commercial vendors. But, the LASD takes issue with our recommendation to study further the matter of replacing deputy sheriffs with corrections officers. While the LASD does not object to studying this matter further, the LASD's preference is to continue to expand the use of civilian custody assistants as an approach to reducing the staffing costs of its jails. The LASD also does not agree with our conclusion that further cost savings are possible in the LASD's most current plan to staff and operate Twin Towers.

Introduction

Background

Established in 1850, Los Angeles County (county) is one of California's original counties. Located in the southern coastal portion of the State, it covers 4,083 square miles, and in 1995 had a population of 9.2 million people. The county has more people than 42 states in the United States, and it has the highest population of any county in the nation.

Under provisions of the county charter, county ordinances, and state and federal mandates, the county is responsible for providing public welfare, health, and safety services and for maintaining public records. The county provides health services through a network of county hospitals, comprehensive health centers, and health clinics. The county supplies municipal services to and operates recreational and cultural facilities in the unincorporated areas. It also furnishes services such as law enforcement and public works to cities within the county, which reimburse the county for the costs of the services.

Governing the county is a five-member board of supervisors who are elected by district to serve four-year alternating terms at elections held every two years. The assessor, district attorney, and sheriff are also elected officers. Appointed officials head all other departments. The county operates on a fiscal year that runs from July 1 through June 30. Under the provisions of the California Government Code, Section 29088, the county board of supervisors is responsible for approving a balanced budget by August 30 of every fiscal year, and it can extend this date to October 2.

The sheriff of Los Angeles County serves as the county's chief law enforcement officer and is elected to four-year terms. With a staff of over 12,000 employees, of which approximately 8,000 are sworn peace officers, the Los Angeles County Sheriff's Department (LASD) is the second largest county department. For fiscal year 1996-97, the LASD has a budget of approximately \$1.1 billion.

Under the provisions of the California Government Code, Section 26000 et seq., the LASD enforces all state laws and county ordinances in the unincorporated areas of the county and is responsible for maintaining law and order in all cities within the county. The LASD is also responsible for maintaining the county jails and acts as the bailiff for the superior and municipal courts. The LASD maintains a fleet of 100 buses, vans, and other vehicles to transport jail prisoners to and from the county's superior and municipal courts. In addition, the LASD provides direct traffic and general law enforcement services, through contract, to 39 cities. Upon request, the LASD provides law enforcement services for special events.

To accomplish its law enforcement responsibilities, the LASD has 21 regional and local sheriff's patrol stations throughout the county. For fiscal year 1995-96, the LASD estimates it responded to 1.1 million calls for service and made 99,000 arrests. The LASD currently operates seven jails with a court-mandated capacity of 20,099 inmates. In these jails, inmates receive meals, medical treatment, and other services to ensure their proper care.

According to the county, its jail system is overcrowded, but the county is working to remedy this situation. In late 1995, the LASD completed construction of the Twin Towers Correctional Facility (Twin Towers), a maximum security jail with a capacity of 4,192 inmates. This jail is located in downtown Los Angeles next to the existing Men's Central Jail. However, a lack of operating funds has prevented the LASD from opening Twin Towers. Because of budget cuts, the LASD has closed three other jails, with a combined capacity to hold 6,640 inmates, over the past three years. In addition, the LASD had to close a fourth jail because of severe damage the jail sustained during the Northridge earthquake. To meet the court-mandated limit on the population at its jails, the LASD has had to release prisoners without their serving full sentences. However, to partially alleviate this overcrowding, the LASD and the county have developed a plan to open Twin Towers and some of the closed jails.

***Findings That Appeared in a
Previous Report by the
Bureau of State Audits***

In March 1996, the Bureau of State Audits issued a report entitled *Los Angeles County: Balanced Budgets Will Be a Continuing Challenge*. In that audit, we found that, after initially announcing shortfalls ranging from \$277 million to

\$1.2 billion, the county produced balanced budgets in each of the last five years. To balance its fiscal year 1995-96 budget, the county needed to obtain federal approval of a \$346 million health-relief package, and certain departments needed to meet a 20 percent reduction in net county costs. We noted that causes for the county's fiscal crisis included the State's shift of property taxes from counties to the schools, the county's reliance on short-term solutions to balance its budgets, mandates imposed by the state and federal governments, and provisions in past employee collective bargaining agreements. Finally, we predicted that the county will have difficulty balancing future budgets because of factors such as implementing the Three Strikes Law, federal welfare reform, and legal challenges to past tax increases. We made recommendations related to these issues. In this report's Chapter 1 and Appendix A, we discuss the status of these issues from our previous audit. The county generally concurred with our previous report and agreed to develop policies to implement our recommendations.

Scope and Methodology

The California Government Code, Section 30605, mandated that the Bureau of State Audits review the county's fiscal condition as well as determine the past conditions and actions that contributed to the budget shortfall. In our last audit we not only reviewed the county's fiscal year 1995-96 budget, but we examined past events that led to the county's fiscal crisis. In March 1996, we issued the audit required by Section 30605, as noted above.

In addition, the California Government Code, Section 30606, mandates the Bureau of State Audits to perform four semiannual reviews of the county's finances. These semiannual reviews are to include both an analysis of whether the county is closing its budget gap and a follow-up on our previous audits. This audit is the first of our semiannual reviews of the county's fiscal condition.

To determine whether the county is closing its budget gap, we evaluated the county's actions to balance the fiscal year 1996-97 budget. Specifically, we identified key budget-balancing assumptions and actions in the county's budget for fiscal year 1996-97. We reviewed the reasonableness of these key assumptions and actions by analyzing supporting budget documents and reports. Further, we interviewed budget analysts in the county's chief

administrative office and in selected departments. Finally, we determined the effect of the key assumptions and actions and whether the county had completed the budget-balancing actions.

To follow up on issues, findings, and recommendations in our previous audit, we reviewed the county's actions in response to the audit. We focused on whether the county obtained the federal funding needed to continue with the 1115 Waiver, which is a relief package designed to help the county restructure its health-care delivery system. We also reviewed the county's progress in these restructuring efforts. Further, we determined if county departments met their 20 percent reduction in net county costs. In addition, we assessed whether the county's strategies to balance the fiscal year 1996-97 budget shifted from short-term to long-term solutions, and we determined whether the county continued its policy of negotiating no salary increases and continued its employee hiring freeze. Finally, we evaluated whether the county had implemented appropriate controls over the authorization and use of overtime.

The California Government Code, Section 30606, further states that our semiannual reviews may include recommendations for improving the economy and effectiveness of the county's operations. After gathering information about various county departments, we identified the LASD as a county department suitable for an economy and efficiency review. We analyzed the LASD's use of sworn officers, instead of civilians, in certain positions. Further, we reviewed whether the LASD could reduce its costs by contracting for bakery goods used in the jail system. Finally, we examined the LASD's budget and plans to open Twin Towers and its previously closed jails. To assist us in our review of the LASD, we obtained the services of a consultant with expertise in law enforcement, corrections, and court services issues. This consultant, Hill and Associates, reviewed and analyzed the technical law enforcement issues related to our audit. Specifically, our consultant assisted us in our review of LASD's use of sworn officers and the budget for Twin Towers.

To identify positions held by sworn law enforcement officers that the LASD could convert to civilian jobs, we analyzed whether the assigned duties performed by sworn officers require the special characteristics and capabilities of a sworn officer. We based our analysis of these jobs on position descriptions and on discussions with the LASD's senior managers. We then determined whether a civilian could perform the same duties. After considering the salary and benefit rates and the training costs for both sworn officers and civilians, we calculated the

annual savings that would result if the LASD converted to civilian status certain positions we identified.

We also determined whether the LASD could benefit from replacing the deputies in the jails with civilian corrections officers. By interviewing key officials in counties that use civilian corrections officers, we identified the advantages and disadvantages of converting to civilian status the LASD's deputy positions at county jails. We then determined the potential savings if the county were to employ civilian corrections officers instead of deputies at its jails.

To determine if the LASD could save costs in the county jails, we identified the LASD's bakery as a function that an outside vendor could perform more economically. We then obtained a study performed by LASD staff on the possibility of contracting for bakery goods and validated the potential net savings from this study.

To review the LASD's budget and plans to open Twin Towers, we reviewed the underlying proposed staffing plans and operating costs. We analyzed the numbers and types of staff the LASD intends to use at this jail and determined if the proposed staffing would be at the level necessary to operate the facility. For costs such as utilities, general supplies, and medical supplies, we analyzed the LASD's supporting calculations and assumptions. To evaluate the costs' reasonableness, we also compared these proposed costs to those for the county's other jails.

Chapter 1

Los Angeles County Balanced Its Fiscal Year 1996-97 Budget but Faces Future Challenges

Chapter Summary

Since our previous audit, Los Angeles County (county) achieved the two major budget-balancing actions that were outstanding from its fiscal year 1995-96 budget. In addition, the county can achieve a balanced budget for fiscal year 1996-97 if certain conditions occur.

On September 12, 1996, the county board of supervisors (board) approved the fiscal year 1996-97 budget. The board realized that the county needs to meet the following criteria if it is to balance this budget:

- Accomplishing net county cost reductions by all affected county departments for an estimated savings of \$51 million;
- Receiving a \$172 million increase in health-related revenues through continued approval by the federal government of a health-relief package, known as the 1115 Waiver;
- Receiving \$223 million in surplus investment earnings from the Los Angeles County Employees' Retirement Association (LACERA) to satisfy the county's fiscal year 1996-97 pension obligation; and
- Carrying over a fund balance from fiscal year 1995-96 totaling at least \$284 million.



As of September 1996, the county had achieved all but one of these budget-balancing actions. The one action remaining is the \$51 million reduction in departmental net county costs, which is in progress.

Although the county has adopted a balanced budget for fiscal year 1996-97, it must address two other fiscal challenges. Currently, the county has not identified a specific funding source for the county's probation camps in fiscal year 1996-97. If the county does not find an alternative funding source for the probation camps, the camps may have to close. In addition,

the county needs to implement the LASD's plan for opening the new Twin Towers Correctional Facility (Twin Towers). While the county is not required to open Twin Towers, the jail has been sitting vacant since its completion in late 1995, and the county may be required to repay original state construction funds if the jail does not open soon.

The county also faces other challenges that may affect the budgets of future fiscal years. For example, the county estimates that the federal welfare reform act, signed by the president earlier this year, could increase county costs by a maximum of \$336 million per year, beginning in July 1997. Other future challenges include litigation surrounding the general relief program, which is an assistance program for indigent county residents, and the county's reliance on short-term solutions to balance its budget.

The County Has Completed the Two Outstanding Actions Needed To Balance Its Prior-Year Budget


*The county has achieved
\$502 million in
budget-balancing actions
for fiscal year 1995-96.*


In our previous audit, we reported that, as of the end of February 1996, the county was working to complete two actions, totaling \$502 million, to balance its fiscal year 1995-96 budget. One of the actions of the county's budget-balancing program was federal approval of a \$346 million health-relief package known as the 1115 Waiver. The federal government approved the first phase of this health-relief package in April 1996. Additionally, to achieve an estimated savings of \$155.7 million, the county had implemented a 20 percent reduction in net county costs for many departments. While some of the county departments did not meet their 20 percent reduction in net county costs, others exceeded the 20 percent reduction. In total, county departments underspent their operating budgets by almost \$38 million.

The Federal Government Approved Phase I of the 1115 Waiver

As discussed in our prior report, the county was awaiting approval by the federal government of the first phase of the 1115 Waiver health-relief package. Federal, state, and county officials had developed this plan to stabilize the county health-care system and to give the county time to implement reforms in a reasonable fashion and avert a shutdown of county hospitals and clinics. The officials had created a plan, known as the 1115 Waiver, pursuant to Section 1115(a) of the federal


Social Security Act and Article 7 of the California Welfare and Institutions Code, which authorizes the director of the State's Department of Health Services to seek development of alternative means to finance and deliver health services.

The 1115 Waiver describes a demonstration project that will remain in place for five years and include two phases. The county developed Phase I which was estimated to provide \$346 million in federal fiscal relief to the county's health services system and to allow the county time to begin restructuring its health services system. In Phase II, the county will begin to make fundamental changes in both the financing and delivery of health care services.


In April 1996, the federal Department of Health and Human Services announced approval of Phase I of the 1115 Waiver in the amount of \$364 million. The difference between the amount estimated in March 1996 and the amount approved represents changes in several elements of the relief package. Receipt of these funds allowed the county to balance its health services budget for fiscal year 1995-96.

Most County Departments Have Achieved Net County Cost Reductions of 20 Percent

For fiscal year 1995-96, the approved budgets for many county departments funded by the county's general fund reflected a 20 percent reduction of their prior-year net county costs. The county estimated that these reductions would produce savings of \$155.7 million. Further, the county required the other county departments to meet their respective departmental budgets.



*During fiscal year
1995-96, county
departments underspent
their budgets by almost
\$38 million.*



After the close of fiscal year 1995-96, the county determined that several departments overspent their budgets. However, most departments underspent their budgets. Moreover, the amount that some departments underspent their budgets was significantly more than the amount of overspending by the other county departments. Table 1 shows the county departments that overspent their budgets by more than \$1 million and the total of all county departments that underspent their budgets.

Table 1***Departments Overspending Their
Budgets by More Than \$1 Million
in Fiscal Year 1995-96
(in Thousands)***

Budget Unit	Overspent/ Underspent
Assessor	\$ 1,242
Children and Family Services	15,168
Museum of Natural History	1,071
Music Center Operations	1,407
Public Social Services	8,401
Municipal Court	1,103
Other departments	1,105
Total Overspent	29,497
Agencies underspending their budgets	(67,105)
Total Operating Budget Savings	\$(37,608)

As Table 1 indicates, county departments in total underspent their operating budgets by almost \$38 million. Thus, the county achieved the departmental cost cuts needed to balance its budget, and county departments generally met their budgets.

***The County Balanced Its
Fiscal Year 1996-97 Budget,
but One Action Is Not Yet Complete***

The county identified four major actions, totaling \$730 million, that are necessary to balancing its fiscal year 1996-97 budget. As of September 1996, the county had achieved three of these budget-balancing actions, totaling \$679 million, and it was working to complete the fourth action, totaling \$51 million. The \$51 million budget-balancing action relates to departmental budget cuts that are currently in progress.

***Departments Are Currently Reducing
Net County Costs by \$51 Million***

To help balance the county's fiscal year 1996-97 budget, departments need to reduce their net county costs by a total of \$51 million. Table 2 lists some of the significant departmental budget reductions.

Table 2

***Departments That Must Achieve
Budget Cuts Greater Than \$1 Million
in Fiscal Year 1996-97
(in Thousands)***

Budget Unit	Net County Cost Reduction
Sheriff	\$17,892
Mental Health	5,900
Board of Supervisors	5,023
Probation	2,893
District Attorney	2,019
Children and Family Services	2,002
Utilities	1,889
Parks and Recreation	1,739
Public Library	1,727
Municipal Court	1,516
Superior Court	1,341
Other budget units	7,349
Total	\$51,290

During fiscal year 1996-97, the county's chief administrative office will monitor the budgets of these departments to ensure that they achieve these budget cuts. The chief administrative office will also monitor the remaining departments to ensure that they meet their budgets.

***Federal Approval of Phase II of the
1115 Waiver Allows the County
Continued Fiscal Relief***

In June 1996, the county received approval from the federal Department of Health and Human Services for an extension of the 1115 Waiver. This extension, known as Phase II, provides an additional \$172 million for the second year of the five-year demonstration project. Thus, Phase II allows the county to

Phase II of the waiver will provide an additional \$172 million in federal fiscal relief.

continue the restructuring of its health-care delivery system begun in Phase I of the 1115 Waiver. The focus of the demonstration project is to provide the county with fiscal relief and to stabilize the public health-care system to rely more on primary and outpatient care than on inpatient care. Under Phase II, the federal government will provide funding for the following aspects of the project:

- An interagency agreement between the State and the county that supplies funds, totaling \$43.6 million, to pay for indigent care in hospital settings;
- Federal matching funds of \$18.9 million for mental health care for indigents;
- Federal Medicaid matching payments of \$47.2 million for indigent care at county clinics; and
- Funds of \$62.5 million for payment of patient visits provided at the county's comprehensive and community health centers.

As a result of federal approval of Phase II of the 1115 Waiver, the county has balanced its health services budget for fiscal year 1996-97. However, the county must reapply each year for further 1115 Waiver extensions. Thus, future health services budgets could be in jeopardy if the county does not receive such extensions.

Surplus Retirement System Investment Earnings Allow the County To Satisfy Pension Costs

The county continues to use surplus retirement system investments earnings to satisfy current pension obligations. As part of the county's actions during fiscal year 1994-95 to fund the retirement fund fully, the county entered into an agreement with LACERA. This agreement allows the county to use 75 percent of LACERA surplus investment earnings to reduce the county's pension obligation. In addition, the county can "bank" with LACERA any unapplied surplus investment earnings from fiscal years 1995-96 through 1997-98 to reduce its pension obligations in future fiscal years. In other words, the county can save and use in future fiscal years any surplus investment earnings achieved in the current fiscal year in excess of what the county needs to offset current pension obligations.

—◆—
*Surplus retirement fund
investment earnings
will allow the county
to reduce current and
future fiscal year pension
contributions.*
—◆—

The county was able to utilize LACERA surplus investment earnings to help balance its fiscal year 1996-97 budget. At the close of fiscal year 1995-96, LACERA had determined that it had surplus investment earnings of \$807 million that were available to the county to reduce the county's pension obligation. The county then used \$138.4 million of this surplus to help balance the fiscal year 1996-97 general fund budget and an additional \$53.3 million to help balance the fiscal year 1996-97 health services budget. The county plans to use the remaining LACERA surplus investment earnings from fiscal year 1995-96 to offset pension contributions in future fiscal years.

In order to achieve further savings, the county entered into another agreement with LACERA to implement a funding mechanism, allowed under the Internal Revenue Code, Section 401(h), for use in conjunction with the county's payment of retiree health insurance costs. Each year, the county is required to pay LACERA for the health insurance premiums of retired county employees. Implementing this section allows the county to use its surplus earnings to cover 25 percent of the amount that the county pays for retired employee health insurance premiums. Thus, the county was able to use \$31.4 million of LACERA surplus investment earnings to help balance its fiscal year 1996-97 general fund and health services budgets.

The County Used Its Fund Balance To Offset Its 1996-97 Budget Shortfall


One of the county's budget-balancing actions for fiscal year 1996-97 was using the previous year's fund balance to offset its budget shortfall. Specifically, the county had \$92 million of general fund balance available from fiscal year 1995-96 for use in fiscal year 1996-97. In addition, the county had \$192 million of health services fund balance available, for a total of \$284 million in fund balance. Because of its financial situation, the county decided to use this \$284 million to offset part of its current budget shortfall.

The county recognizes that using fund balance for budget-balancing purposes is a temporary solution to its financial dilemmas. If possible, the county wants to reduce the amount of fund balance it uses to balance its budget in future fiscal years. The county's goal is to use any excess fund balance for one-time projects, such as information technology or capital improvements. However, the county's plan to reduce its use of fund balance depends upon an improvement in the county's fiscal situation.


The County Faces Immediate Budget Challenges

During fiscal year 1996-97, the county must resolve two immediate budget problems that it did not address when the board of supervisors approved the budget originally. First, the county has not identified a specific funding source for its probation camps for fiscal year 1996-97. In addition, the county needs to implement the plan by the LASD to open Twin Towers.

The County Will Need Funding for Probation Camps in Fiscal Year 1996-97



*The elimination of federal
funds places county
probation camps in
jeopardy.*



As of January 1, 1996, the federal government stopped providing federal reimbursement to counties for probation costs under the Title IV-A Emergency Assistance program. In February 1996, the governor signed AB 1483 (Chapter 7, Statutes of 1996), which provided \$17 million in state funds for the county's probation camps. This funding allowed the county to keep its 18 probation camps open for the remainder of fiscal year 1995-96. During fiscal year 1996-97, the county decided to fund the probation camps while it seeks federal relief for probation costs. The county estimates it needs funding of \$48.5 million to operate the probation camps for fiscal year 1996-97.

In the event that the county does not receive federal funding, the county's chief administrative office recommends that the county fund the probation camps through the following methods:

- **Full implementation of general relief restrictions and reductions.** Under SB 681 (Chapter 6, Statutes of 1996), counties can reduce general relief assistance payments in several ways. The county recently enacted a minor provision of SB 681. The county estimates that it could generate savings of \$37 million if it implemented the remaining provisions of this law beginning in January 1997.
- **Net county cost reductions in certain departments.** The chief administrative office would need to identify budget cuts in certain county departments as a means to provide funding for the county's probation camps.

During fiscal year 1996-97, the county will continue to pursue federal government funding for the probation camps. If no federal funding becomes available, the county may need to take both of the above actions, and possibly other actions, to continue to operate its probation camps.

The County Has Developed a Plan To Open the Twin Towers Correctional Facility

The county needs to implement the LASD's plan for opening Twin Towers. The county completed this 4,192-bed jail in late 1995 and has not opened it because of the county's budget constraints. However, on October 10, 1996, the board of supervisors approved a plan for opening this jail. Under this plan, the funds to open Twin Towers will come from the county's shifting resources from existing jails and from revenue generated from contracting jail beds to the state and federal governments. In addition, the plan requires up to \$14.4 million in new county funding in fiscal year 1996-97. In Chapter 4 of this report, we discuss the county's plan for opening Twin Towers.

The County Will Face Future Budget Challenges

The county will soon experience several other financial challenges. For example, the county estimates that the federal welfare reform bill, recently signed by the president, could increase county costs up to a maximum of \$336 million per year beginning in July 1997. Further, the county's actions to reduce its cash grants to general relief recipients have resulted in litigation and potential county liability. Finally, the county needs to look for long-term solutions rather than short-term remedies to balance its future budgets.

Federal Welfare Reform Legislation Could Increase Future County Costs


In August 1996, President Clinton signed a federal welfare reform bill known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (act). The act repeals and amends several major public assistance programs, including Supplemental Security Income, Food Stamps, and Aid to Families With Dependent Children. Additionally, the act

replaces some of these programs with block grants. Block grants usually reduce the number and degree of mandated activities, but they may also limit the amount of money that is available for a particular program.


Although we can assess the impact of federal welfare reform on the county in general terms, no one can now determine the precise fiscal impact with any certainty because many of the act's provisions are unclear or are subject to administrative interpretation. Further, the act allows the State to choose how it will implement certain provisions, and the State has yet to make those decisions.

However, according to the state legislative analyst, California could lose an estimated \$6.8 billion in federal funds over the next six years as a result of the welfare reform bill. The county has used federal welfare funds to meet the needs of indigent county residents, especially immigrants. The loss of federal funds will affect Los Angeles County in particular because estimates suggest that the county has 40 percent of the State's total legal immigrants.

The county believes that this significant loss of federal welfare money could change the county's fiscal situation in the following ways:



The county believes federal welfare reform could cost it up to a maximum of \$336 million annually in future fiscal years.




- **The act could deny Supplemental Security Income (SSI) benefits to 93,000 legal immigrants living in the county.** Immigrants who could lose SSI could still be eligible for general relief cash payments under current state law. If all immigrants who could lose SSI applied for general relief, the county estimates its costs could increase by a maximum of \$236 million annually.
- **The act could deny most legal immigrants eligibility for nonemergency Medicaid services.** The county estimates that approximately one-third of all patients served by the county's hospitals and clinics are legal immigrants, many of whom are treated under Medicaid. The county estimates it could lose up to a maximum of \$100 million in Medicaid revenue annually if these patients are not eligible for nonemergency Medicaid benefits. Also, if nonemergency Medicaid services are denied to legal immigrants, private hospitals and clinics may refuse to treat these patients. The result would be a major shift in health costs from the private sector to the county, which is the health provider of last resort for indigent and uninsured persons.


In addition, the act includes a provision that would allow states, such as California, with approved 1115 Waivers, not to implement certain of the bill's requirements that are inconsistent with the waiver. California would not need to implement these requirements for the remaining life of the 1115 Waiver. Because the county has received the 1115 Waiver, the State and county will need to determine if the act's provisions are inconsistent with the 1115 Waiver. If so, the county may not have to meet certain of these new requirements.

The federal welfare reform act will have minimal impact on the county in fiscal year 1996-97. Nonetheless, the act's effects will increase over time, and the county will feel the full impact in fiscal year 2002-03. Many of the act's key provisions have a delayed effective date, a phase-in period, or are prospective in their impact on recipients. For example, the Social Security Administration can take up to one year after the president signed the act to terminate SSI benefits to immigrants who currently receive aid. The five-year prohibition on federal benefits, such as welfare payments and nonemergency Medicaid services, applies only to legal immigrants who enter the country after the president signed the act. Therefore, the county would not feel the full impact of this five-year prohibition until fiscal year 2002-03.

Litigation Surrounding the General Relief Program Could Lead to Potential County Liability




The county is being sued over past reductions in cash payments to indigent residents.




To balance its budget in past fiscal years, the county has reduced the amount of grants under the general relief program. The general relief program provides county-funded cash assistance and social services to indigent persons who do not qualify for state or federal aid programs. Provisions of state law also allow the county to reduce the amount of the cash assistance payments to indigents under certain conditions, and the county has used these provisions to help balance its budget. However, the county faces several legal challenges to its past reductions.

One legal challenge relates to the recent state approval of a reduction in the county's cash assistance payments. In our previous audit, we reported that the county requested the Commission on State Mandates (commission) to find that the county was suffering from significant financial distress and to approve a reduction in its cash assistance payments. In February 1996, the commission approved the county's application for relief from the mandated level of general

assistance grants for 12 months. The commission then extended this period of relief to 36 months under new state legislation. The county implemented the reduction effective March 1, 1996, and estimates this reduction produced savings of \$25 million for fiscal year 1995-96, with additional savings of \$78 million projected for fiscal year 1996-97. However, on February 29, 1996, a legal challenge was filed against the county's reduction in cash assistance payments. This challenge alleges that the commission approved the county's application without requiring the county to make a compelling showing of significant financial distress. The case is currently in the preliminary stages and has not yet started trial.



The county is appealing a court ruling with a potential liability of \$225.3 million.



In addition, the county faces a legal challenge to a previous reduction in general relief payments. This challenge arose from the county's reduction of general relief payments for a two-year period ending in September 1995. During this period, the county reduced its general relief payments to its recipients by \$73 per month. However, this reduction ended in September 1995 because of the lawsuit. The Court of Appeal invalidated the \$73 per month medical care reduction and ruled that the county must repay the recipients for the reduction in general relief payments. The county is currently appealing this ruling and estimates that its potential liability as a result of the ruling is \$225.3 million. However, the county believes that it may not have to pay the full amount because some recipients have left the county, and the county may be unable to locate these recipients.

The County Needs To Develop Long-Term Instead of Short-Term Fiscal Solutions

The county was able to balance its fiscal year 1996-97 budget; however, it needs to shift from relying upon short-term remedies to developing long-term solutions to balance its annual budgets. As we reported in our previous audit, the county relied extensively on short-term solutions to balance its budgets for fiscal years 1991-92 through 1995-96. Further, the county continued to use short-term solutions to balance its fiscal year 1996-97 budget. The county's dependence on LACERA surplus investment earnings and the fund balance to offset budget shortfalls are examples of short-term budget-balancing measures.

Also, the county must follow certain mandates that specify how it can spend its funds. For example, the state and federal governments require the county to provide matching funds and maintain certain spending levels as conditions of receiving state and federal funds. If it does not meet these conditions, the

county could lose those funds and face penalties. In addition, because state and federal laws require the county to provide certain services, the county estimates that 84 percent of its discretionary funds are dedicated to mandated programs. The county's challenge is to meet these mandates while continuing to fund critical county programs and operations.

Conclusion

The county was successful in achieving a balanced budget for fiscal year 1995-96; however, it is depending on additional cost cuts by its departments to achieve a balanced budget for fiscal year 1996-97. If individual departments do not meet their reduced budgets, the county will need to make additional budget cuts to balance its budget as required by state law. In addition, if the county cannot secure federal funds for its probation camps, it will face the task of finding other funding sources or of closing the camps altogether. Further, the county needs to implement the LASD's plan for opening Twin Towers.

Future fiscal challenges will confront the county, including managing the financial ramifications of federal welfare reform, dealing with any liability from general relief litigation, and finding long-term rather than short-term solutions to ongoing budget problems. Although the fiscal impact of these challenges remains ambiguous, the county will need to address these issues soon, or it may not be able to meet the State's balanced-budget statute requirement in future fiscal years.

Recommendations

To ensure achieving a balanced budget for current and future fiscal years, the county should take the following actions:

- Closely monitor all departments affected by budget cuts to ensure that they reach their targeted reductions in net county costs.
- Continue to implement planned changes to the health-care delivery system in Phase II of the 1115 Waiver.
- Continue its efforts to secure federal funds to finance its probation camps.
- Proceed with its plan to open Twin Towers.

- Monitor closely the potential fiscal impacts of future budget challenges related to federal welfare reform and general relief litigation. In addition, the county should actively seek solutions to such challenges and attempt to mitigate potential negative fiscal impacts before such impacts occur.

Chapter 2

The Los Angeles County Sheriff's Department Could Reduce Costs by Converting Some Positions to Civilian Status and Contracting for Bakery Goods

Chapter Summary

In analyzing the current financial condition of Los Angeles County (county), we reviewed the economy and efficiency of the Los Angeles County Sheriff's Department (LASD) and identified several ways in which the LASD could reduce employee and jail costs. We evaluated how the LASD uses its 8,000 sworn law enforcement officers and found that, for 141 positions, the LASD has sworn officers perform duties that civilian personnel could accomplish. If it employed civilians instead of sworn officers for these positions, the LASD could save more than \$4.3 million annually in salary, employee benefits, and training costs. The LASD may have additional positions suitable for conversion to civilian status; inaccuracies in the LASD's automated personnel information management system limited our analysis. Further, our review of the LASD revealed that it could reduce food service costs by more than \$1.2 million if it closed the LASD bakery and purchased the baked goods that it serves to inmates in the county's jails.

By using civilians in the 141 sworn officer positions that we recommend for conversion to civilian status and by purchasing baked goods, the LASD could achieve a total savings of more than \$5.5 million. The county could use this savings to help alleviate other pressing county budget issues, as discussed in Chapter 1.

This chapter analyzes whether the LASD assigns sworn officers throughout the department to positions that civilian employees could perform. Although it reviews sworn officer positions that have administrative functions in the custody division, the chapter does not include an evaluation of those jobs that involve direct inmate custody functions, such as guarding inmates. Instead, Chapter 3 presents information about whether the LASD should consider using civilian corrections officers

rather than sworn officers as custody staff at county jails. Therefore, the savings for the eight custody division staff discussed in this chapter are also discussed in the savings figures presented in Chapter 3.



Background

While examining the ways in which the county could achieve balanced budgets, we saw that the LASD might help the county reduce costs by changing certain LASD job specifications. We looked closely at job requirements for sworn officer positions to see whether the LASD could replace some of its law enforcement officers with civilians, who generally require lower salaries, fewer benefits, and less specialized training than sworn officers.

The California Government Code establishes some of the duties of sworn law enforcement officers that other citizens do not normally perform. For example, sworn officers have the following responsibilities: arresting persons who attempt to commit or have committed crimes, preventing and suppressing riots, serving subpoenas, and enforcing the vehicle code when directed to do so. In addition to the California Government Code, LASD policy requires sworn officers to protect life and property; preserve the public peace; prevent crime; detect and arrest violators of the law; and enforce all federal, state, county, and city laws and ordinances. Furthermore, the LASD class specification for a deputy sheriff lists such duties as patrolling a designated area to enforce laws and prevent crime, responding to reports of suspected criminal activity, interviewing and taking statements from suspected criminals and their victims, guarding and maintaining the security and safety of jail inmates, and serving as bailiff in the courts to maintain order and provide security for prisoners.

We reviewed three management studies in which the LASD analyzed whether it could convert to civilian status certain sworn officer classifications or certain positions within these classifications. The classifications included process serving deputies, investigators, station jailers, operations sergeants, and other classifications. The studies considered the LASD's developing or using the existing civilian classifications of civilian civil process server, custody assistant, and law enforcement technician as replacements for the sworn classifications.

As a result of its management studies, the LASD has replaced sworn officers with civilians in station jailer and civil process serving positions, and it plans to replace complaint desk


*In recent years, the LASD
has converted some
sworn officer positions to
civilian status.*


deputies with civilians. Specifically, according to the LASD director of personnel, in October 1996 the LASD replaced with civilian custody assistants 70 sworn officers who served as station jailers. Although this move did not reduce costs, it enabled the LASD to move sworn officers into community policing activities. In addition, the LASD is in the process of replacing with civilians 22 of the 74 sworn officers who currently serve civil process documents, such as warrants, summonses, and court orders. The LASD will retain the remaining 52 sworn officers to serve certain types of civil process that it believes require a sworn officer to serve, such as those that require taking a person or property into custody. Also, the LASD plans to replace 50 more sworn officers serving as complaint desk deputies with law enforcement technicians, a new civilian classification. The LASD is currently negotiating this classification with the deputies' bargaining unit.


According to the LASD's director of personnel, in addition to examining the classifications involved in three studies, the LASD converted or is in the process of converting to civilian status positions in 23 other sworn officer classifications. The director of personnel could not tell us how many positions are involved in these conversions because, according to the director, the appropriate records are not readily available. Some of these sworn positions include analyst deputy, evidence control deputy, identification deputy, and research deputy. The director of personnel states that, for most of these positions, the LASD realized that it had civilian classifications available that include the same duties that the sworn officers have performed.

***The LASD Could Convert to Civilian
Status Additional Positions That Do Not
Require Sworn Officer Expertise***


To determine whether the LASD could convert to civilian status sworn officer positions in addition to those described above, we reviewed a personnel list produced by the LASD's automated personnel information management system. The list identifies the classifications of the LASD's 8,000 sworn officers. We initially identified 753 positions on the list that do not appear to require staffing by sworn officers and thus might be suitable for conversion to civilian status. We then obtained job descriptions for these positions to determine if the duties require the special characteristics and capabilities of sworn officers. We found that many of the positions, such as those for training officer deputies at regional field operations stations, need to be filled by sworn officers who can perform the training duties outlined in the job

descriptions. We eliminated these positions from further consideration for conversion to civilian status. However, we found other positions that do not require the special characteristics and capabilities of sworn officers, and we therefore considered these jobs potentially suitable for conversion.

To continue our assessment, we discussed each job with the LASD senior manager responsible for that position. The managers provided clarification or additional information for those positions that we could not fully evaluate by reading the personnel listing or the job descriptions. During these discussions and our analysis, we arrived at one of the following conclusions: (a) we agreed with the LASD managers that sworn officers should fill certain positions, (b) the managers agreed with us that they should change certain positions to civilian status, or (c) we could not reach agreement.



We identified 141 positions, such as in budgets and graphic arts, held by deputies not requiring skills of a peace officer.



Typically, the positions we finally identified as suitable for converting to civilian status are positions that are administrative or technical in nature and do not require any direct law enforcement activity. For example, the sworn officers in the LASD's Communications and Fleet Management Bureau perform duties associated with the operation and testing of radios, data systems, and vehicles. The officers in this bureau also provide training in the use of this equipment. Likewise, the sworn officers in the Scientific Services Bureau do not enforce the law; instead, they perform duties related to the examination of evidence. Our analysis also included administrative positions such as budget sergeant, graphic artist deputy, and complaint desk deputy. In most cases, the LASD's senior managers agreed that many administrative and technical positions do not directly involve law enforcement activities and could be filled by civilian employees. Table 3 details each of the 141 positions that we concluded could be filled by civilian employees and shows whether the LASD's senior managers agreed with our conclusion.

Table 3

***Sworn Officer Positions the LASD
Could Convert to Civilian Status***

Bureau Title	LASD Agreement	Classification	Number of Positions
Assistant Sheriff	No	Legal and Civil Service Lieutenant	1
Executive Planning Council	Yes	Manual and Orders Deputy	1
	Yes	Deputy Sheriff Generalist	1
Employee Support Services	No	Deputy Sheriff Bonus I	2
	Yes	Deputy Sheriff Generalist	1
Fiscal Administration	Yes	Analysis and Program Needs Sergeant	1
	Yes	Deputy Sheriff IV	1
	No	Department Resources Deputy	1
Office of Administrative Services	No	Projects Lieutenant	1
	No	Lieutenant	1
Data Systems	No	Task Force Project Lieutenant	1
	No	Captain, Commander	1
	Yes	Operations Lieutenant	1
Records and Identification	Yes	Identification Deputy	1
	Yes	Records Sergeant	1
	No	Captain, Commander	1
	No	Operations Lieutenant	1
Communications and Fleet Management	Yes	Field/Watch and Technical Sergeant	3
	Yes	Head Fleet Operations Lieutenant	1
	Yes	Needs Analysis Deputy	6
	No	Watch Sergeant	2
	Yes	Deputy Sheriff Generalist	2
	Yes	Deputy Sheriff IV	1
	Yes	Projects Justice Data Interface Controller Lieutenant	1
	Yes	Field Operations and Training Lieutenant	1
	Yes	Automotive Testing Deputy	1
	No	Captain, Commander	1
	Yes	Field Test and Operations Sergeant	1
	No	Operations Lieutenant	1
	Yes	Justice Data Interface Controller Deputy	1
Court Services—Administration	Yes	Budget Sergeant	1
Court Services—East Bureau	Yes	Process Serving Deputy	8
Court Services—West Bureau	Yes	Process Serving Deputy	10
Court Services—Central Bureau	Yes	Supervising Process Receiving Deputy	1
	Yes	Process Serving Deputy	4
Temple Station	Yes	Complaint Desk Deputy	4


Bureau Title	LASD Agreement	Classification	Number of Positions
Crescenta Valley Regional Station	Yes	Complaint Desk Deputy	2
Custody Division South—Administration	Yes	Budget Sergeant	2
	Yes	Inmate Processing Deputy	1
	No	Security Systems Control Deputy	2
	Yes	Special Program Deputy	1
Scientific Services	Yes	Identification Deputy	14
	Yes	Identification Sergeant	1
	Yes	Captain, Facility Commander	1
	No	Polygraph Examiner Sergeant	1
	Yes	Questioned Documents Exam Deputy	1
	Yes	Deputy Sheriff Generalist	2
	Yes	Deputy Sheriff IV	2
	No	Firearms Examiner Deputy Bonus II	2
	No	Firearms Examiner Sergeant	2
	Yes	Operations Lieutenant	1
	Yes	Operations Sergeant	1
	No	Polygraph Examiner Deputy Bonus I	3
	Yes	Special Assignment Deputy	1
North County Correctional Facility	Yes	Deputy Sheriff Reassigned	1
Pitchess South Facility	Yes	Personnel Deputy	1
Lennox Station	Yes	Complaint Desk Deputy	2
West Hollywood Station	Yes	Complaint Desk Deputy	2
Carson Station	Yes	Complaint Desk Deputy	3
Century Station	Yes	Complaint Desk Deputy	2
Walnut Regional Station	Yes	Complaint Desk Deputy	5
Industry Station	Yes	Complaint Desk Deputy	7
Field Operations Region III—Administration	Yes	Budget Deputy	1
Lakewood Station	Yes	Complaint Desk Deputy	8
Professional Standards and Training	Yes	Graphic Artist Deputy	1

The LASD agreed with us on 117 of the 141 positions listed above, and it disagreed about the remaining 24. Typically, for positions over which we disagreed, we did not concur with the LASD senior managers that the incumbent must have sworn officer experience to be effective in the position even though the senior managers agreed that the specific duties of the position do not require fulfillment by a sworn officer. The senior managers contend, however, that persons in these positions


cannot perform effectively without sworn officer experience unless they can relate to the specific experiences that a sworn officer has encountered. Nevertheless, after discussing each of these positions with the senior managers, we are still not convinced that a sworn officer is needed for these positions.

The LASD Could Achieve Cost Savings by Converting Positions We Identified to Civilian Status

The LASD could achieve cost savings by converting to civilian status all 141 positions we identified. Specifically, salaries, employee benefits, and training costs would be lower for civilian employees than they are for sworn officers.



If the LASD converted all 141 sworn officer positions to civilian status, it could save \$4.3 million annually in salary, benefit, and training costs.



To determine if salary savings would be possible, we asked the LASD personnel director to provide the specific civilian classifications and respective pay rates the LASD would probably use to replace six sworn officer classifications that senior managers agreed civilian employees should fill. We then compared the annual salaries for the sworn officers with those for the replacement civilians to determine the potential annual savings. (We realize that if the LASD performs a complete classification study, it may use different replacement civilian classifications than those the personnel director gave us. However, we believe that the classifications we used are sufficient to estimate the magnitude of the potential savings.)

Table 4 lists the sworn classifications, replacement civilian classifications, and respective salaries of 63 positions in six sworn officer classifications that the LASD agreed it should convert to civilian status. As Table 4 shows, the LASD could reduce salaries by more than \$1.4 million per year by converting just these positions. For the other 78 positions we identified, we do not know the civilian classifications that the LASD may use to fill these positions, and thus we could not analyze the savings that could result if civilians were to fill these positions. Therefore, we simply estimated the cost savings for the 78 positions based on the savings for the 63 positions discussed above. We determined that, for the 63 positions, civilian salaries would be 31 percent lower than total salaries for sworn officers. Applying this percentage to the 78 other positions, we concluded that the savings to the LASD would increase by more than \$1.5 million to over \$2.9 million annually.

Table 4

***Examples of Salary Savings for
Positions That the LASD Agreed It
Could Convert to Civilian Status***


Bureau/Classification of Sworn Officer	Civilian Replacement Classification	Number of Positions	Sworn Monthly Salary per Position	Civilian Monthly Salary per Position	Total Annual Sworn Salary All Positions	Total Annual Civilian Salary All Positions	Difference Between Sworn and Civilian Total Annual Salaries
<u>Court Services</u>							
Process Serving Deputy	Court Services Specialist	22	\$ 4,456	\$ 2,315	\$1,176,384	\$ 611,160	\$ 565,224
<u>Detective Division</u>							
<u>Scientific Services</u>							
Captain, Facility Commander	Crime Laboratory Director	1	8,527	6,741	102,324	80,892	21,432
Operations Sergeant	Operations Assistant III	1	5,765	3,596	69,180	43,152	26,028
Deputy Sheriff Generalist	Forensic Identification Specialist II	2	4,456	4,281	106,944	102,744	4,200
<u>Field Operations Regions</u>							
Complaint Desk Deputy	Law Enforcement Technician*	35	4,456	2,666	1,871,520	1,119,720	751,800
<u>Custody Division</u>							
Budget Sergeant	Operations Assistant III	2	5,765	3,596	138,360	86,304	52,056
Totals		63	\$33,425	\$23,195	\$3,464,712	\$2,043,972	\$1,420,740

*The LASD is currently developing this classification. The director of personnel is confident that the classification will meet the final approval of the county.


In addition to the \$2.9 million salary savings, the LASD could achieve savings in employee benefits by using civilian employees instead of sworn officers for the 141 positions we identified. Benefits costs for civilian employees are 15.9 percent less than those for sworn officers, primarily because of lower retirement costs. This difference would result in an estimated savings to the county of more than \$1.2 million annually.

The LASD would also lower its training costs if it were to fill with civilians all positions we identified. Sworn officers have a number of recurring training requirements that do not apply to civilians. Some requirements apply to all sworn officers, while others apply to specific categories of sworn officers. For example, all sworn officers must attend training for cardiopulmonary resuscitation and first aid every three years. On the other hand, another recurring training requirement, the Practical Policy Course/Shotgun Training, is required only for sworn officers up to the rank of sergeant assigned to field operations regions. We calculated the salary cost for the time that sworn officers attend some training programs to illustrate

the potential savings the county could achieve if it converted to civilian status all 141 positions that we identified. We calculated the cost only for training requirements that generally apply to all the positions we identified and found that the county could save at least \$166,000 annually in recurring training costs.



The full benefit of these conversions may take several years to achieve.




We recognize that the LASD would not realize the full \$4.3 million cost savings in the first year it begins to convert these positions because some positions would require more time for conversion than others. For example, the conversion of some positions may involve issues that require the LASD to negotiate with the deputies' bargaining units. For other positions, the LASD may determine that it needs to retain a sworn officer for another year or more until the sworn officer retires. Also, the LASD has a policy for placing sworn officers who are unable to perform their regular duties due to medical restrictions in administrative positions, such as complaint desk positions, until they have recovered. Therefore, the LASD may find that it is not administratively possible or wise to convert all 141 sworn officer positions to civilian status immediately.

***The LASD's Automated Personnel
Information Management
System Is Not Always Accurate***


Although we used a listing from the LASD's automated personnel information management system to identify sworn officer positions that the LASD can potentially fill with civilian staff, we may not have identified all such positions because the system contains outdated or inaccurate information. During our review of job descriptions and subsequent discussions with LASD senior managers, we found that the system does not always provide accurate information on current staff duties. For example, the listing we used identifies "office deputies" at the Pitchess North and Pitchess South jails. However, according to an LASD custody division manager, this classification is not correct, and these deputies actually work as jail guards. We discussed these system inaccuracies with the LASD's director of personnel. He agreed that the system contains some inaccurate information and indicated that he intends to take the necessary actions to correct the deficiencies.

The LASD Could Reduce Costs by Closing the Jail Bakery and Contracting for Baked Goods

Many sheriff's departments have reduced jail operation costs by contracting for some or all of the services the departments supply to inmates. We identified one service that a commercial vendor could provide to the LASD and thus reduce LASD costs. The LASD operates a bakery within its food services division that produces baked goods for inmates at all of the county jails. Using a study conducted by the LASD's food services manager, we performed an analysis of the costs to operate the bakery and found that the LASD could reduce costs by purchasing baked goods from a commercial vendor instead. We did not review jail operations to identify other services provided to inmates that the LASD could contract out to a private vendor. Thus, the LASD may have other areas in which it could reduce costs.



If it purchased baked goods from a commercial vendor, the LASD could save over \$1.2 million annually.



The LASD bakery, located at the North County Correctional Facility, provides bread, rolls, biscuits, cookies, and various pastries for all of the county's jails. In fiscal year 1995-96, the bakery distributed almost three million loaves of bread to its jails. We analyzed the cost to operate the bakery and compared it to the cost to purchase baked goods, and we found that the LASD could save more than \$1.2 million by purchasing instead of baking these products.

The bakery employs 21 civilian staff for bakery, clerical, and warehouse operations. Under the supervision of the civilian bakery staff, inmates aid in all bakery operations. In addition to the bakery staff, six deputies and three custody assistants work full time to provide security over the inmates who work in the bakery. These full-time deputies receive assistance from four deputies, one sergeant, and one custody assistant who spend from 30 to 50 percent of their time in support of the bakery. In addition, the LASD motor pool provides four civilian truck drivers who use LASD-owned tractors and trailers to deliver the baked goods to the various jail locations.

The LASD's food services manager did a preliminary study to determine if the LASD could save money by purchasing baked goods instead of baking its own products. Based on that study, the food services manager concluded that the LASD could save approximately \$1 million annually by purchasing its baked goods. However, according to the food services manager, she did not act to close the bakery and purchase baked goods commercially because the LASD wants to retain the bakery to provide gainful employment for 128 inmates.

We validated the food services manager's analysis of the LASD's potential cost savings from purchasing baked goods rather than operating its own bakery. Taking the same expense items the manager used, we calculated the LASD's cost to produce and distribute baked goods for fiscal year 1995-96. We then compared the total of the LASD costs to the cost of purchasing the same amounts and types of goods from a commercial vendor. Using a recent price quote that a commercial vendor provided to the LASD, we determined prices for the various baked goods. The vendor's price quotes include delivery of the baked goods to all jails six times per week. Table 5 shows the potential savings that the LASD could realize by closing the bakery and purchasing its baked goods.

Table 5

***Comparison of LASD Costs To Operate
the Jail Bakery With the Estimated Cost To
Purchase Baked Goods, Fiscal Year 1995-96***

Cost Item	Amount
Salaries and benefits	\$1,599,607
Transportation costs	184,647
Baking supplies (mixes, shortening, flour, etc.)	1,961,580
Nonfood bakery supplies	116,608
Equipment maintenance	214,972
Total bakery production costs	4,077,414
Cost to purchase the same goods from a vendor	2,791,121
Annual savings if the LASD purchased baked goods	\$1,286,293

According to these calculations, the LASD could save more than \$1.2 million annually if it closed its bakery and purchased baked goods from commercial sources. Actual prices for these goods could be less if the LASD used competitive bidding procedures to enter into a contract with a vendor. For example, the state Department of Corrections purchases baked goods for its prisons under contracts that it negotiated under competitive bidding procedures. Under these contracts, the state Department of Corrections pays about 15 percent less for bread than the price quoted to the LASD. Thus, the LASD's savings could be even greater than the amount we calculated.

Conclusion

The LASD could reduce its costs for salaries, employee benefits, and training by more than \$4.3 million by replacing sworn officers with civilian employees for many positions. Civilian employees could perform all of the duties currently performed by the 141 sworn officers that we identified. Additionally, the LASD could save more than \$1.2 million by closing its bakery and purchasing from commercial sources the baked goods for its jails. Moreover, the county could use the more than \$5.5 million savings from these two sources to help balance the budget in future years.

Recommendations

To use its sworn law enforcement officers more efficiently and to reduce county costs, the LASD should take the following actions:

- Within a reasonable time, fill with civilian employees all 141 positions, currently held by sworn officers, that we identified.
- Perform a review to determine if the LASD could convert additional sworn officer positions to civilian status. Then, within a reasonable time period, the LASD should replace with civilian employees all of the sworn officers in these identified positions.

Further, to improve the information available on the duties that it assigns to its employees, the LASD needs to correct the deficiencies in its automated personnel information management system.

To produce savings at the county's jails, the LASD should review its internal operations to identify areas in which commercial vendors can provide necessary services for lower costs. In the near future, the LASD should close its bakery and purchase baked goods from commercial sources.

Chapter 3

The Los Angeles County Sheriff's Department Should Consider Employing Civilians as Custody Staff for Its Jails

Chapter Summary

While most California sheriffs have traditionally used sworn officers, or sheriff's deputies, to staff jails, a growing number of sheriffs are trying to reduce staffing costs by using civilian corrections officers instead. In addition to cost savings, replacing sworn officers with civilian corrections officers may have several other advantages to sheriffs and their counties, including increases in the recruitment of females and minorities as well as a decrease in complaints by inmates against personnel. Conversely, sheriffs' use of civilian corrections officers to staff jails may have several disadvantages, including the sheriffs' having fewer sworn officers to maintain order during a major crisis.

The Los Angeles County Sheriff's Department (LASD) currently employs sworn officers, or deputies, to perform most of the custody functions at the jails in Los Angeles County. Based on a preliminary review, our consultant concluded that the LASD may be able to save between \$25.4 million to \$33.6 million annually in staffing costs if it replaced all of its deputies with civilian corrections officers. However, to determine the realizable savings and if the advantages of this approach outweigh the disadvantages for the county, the LASD should perform a more detailed study on the possible effects of converting the staff in its jails from sworn officers to civilian corrections officers. The need for this review is especially critical in light of the county's continuing fiscal constraints which we note in Chapter 1 of this report.

Background

Traditionally, the majority of California sheriffs have used sworn peace officers to staff county jails and transport prisoners. With few exceptions, sheriffs have assigned new deputy sheriffs (and usually sergeants and lieutenants who have just been promoted) to inmate custody duties in the jails until the officers achieve sufficient seniority for transfer to law enforcement assignments.

Generally, in Los Angeles County, new deputies can expect to spend about six years in jail-related assignments before the deputies become eligible for transfer.

Over the past 25 years, California counties have employed several different approaches to reduce the high cost of staffing local correctional facilities. The approach California counties have most frequently implemented involves using civilianized (non-sworn), lower-salaried corrections employees to supplement and support the sworn officers who perform inmate custody and security functions. Counties usually refer to these civilian employees as sheriff's technicians or custody assistants. The LASD currently uses a limited number of custody assistants in the jails. Other civilian employees perform duties not related directly to inmate control and security, including medical, food, and clerical services. However, state law requires at least one sworn officer on duty in a jail for every 20 civilian corrections officers.

***Civilians Support Sworn Officers
as Jail Staff in Other County
Sheriff's Departments***


Counties' use of civilian personnel to support inmate custody functions has typically taken two approaches. In one approach, known as *general assistance*, civilians carry out most of the duties performed by sworn officers. Under a second approach, known as *limited assistance*, civilians perform only certain duties. For both approaches, counties use sworn officers and civilian corrections personnel concurrently to fulfill inmate custody responsibilities.

In counties that take the general assistance approach, civilians support deputies with various tasks and responsibilities, including direct supervision and control of inmates. Although it is the more efficient of the two approaches, general assistance often results in a demand for "equal pay for equal work" by the bargaining unit for non-sworn employees. The salaries of the civilian positions eventually increase to equal the salaries of the sworn officers, and sheriff's departments are left with little or no savings in operating costs. The LASD, which tried general assistance in the past, experienced this problem with its general-purpose civilianized corrections classification. Consequently, the LASD abandoned the classification.


The LASD currently uses the limited assistance approach, and custody assistants perform jobs under the supervision of a sworn officer. For example, LASD custody assistants primarily operate

control booths, observe low-security inmates, and help process incoming and outgoing inmates. However, the LASD position description for custody assistants is silent on their role in physically restraining unruly inmates; the LASD does not require custody assistants to perform this duty, nor does it restrict them from this activity. While this limited assignment of civilian personnel prevents any "equal-pay-for-equal-work" arguments, it does not maximize potential cost savings that might otherwise be feasible. The LASD could achieve more savings if it used civilian positions more extensively. Presently, custody assistants comprise less than 10 percent of the total custody staff of the LASD jails.

Some Counties Use Civilian Corrections Officers To Replace Sworn Officers



Other counties have reduced jail staffing costs by using lower-paid civilian corrections officers.



To reduce operating costs further, some counties in California and other states developed a third approach for supporting custody functions with civilian personnel. This approach differs from the two approaches discussed above in that the counties have replaced with lower-salaried corrections officers most of the sworn officers who have jail-related duties, including prisoner transportation. Specifically, in Los Angeles County, this civilian corrections officer position would be different than the LASD's current custody assistant classification. Instead, this position would mirror the custodial officer position described in the California Penal Code, Sections 831 and 831.5. These sections define the custodial officer as a public officer, not a peace officer, employed by a city or county law enforcement agency, who has the responsibility for the custody of prisoners in a local detention facility.

In some counties, a corrections department separate from the sheriff's department provides the jail services. For example, Santa Clara, Napa, and Madera counties in California, and King County (Seattle) in Washington, have separate corrections departments employing lower-cost corrections officers to staff local jails and, in at least one instance, to transport prisoners. However, recent changes in California laws require that, beginning in 1993, the jail function remains under the control of the county sheriff. Thus, Los Angeles County cannot establish a corrections department separate from the LASD.


Nevertheless, it is possible for counties to replace with civilian corrections officers the sworn officers who currently staff the jails and also to retain the total custody operation within the

sheriff's department. Santa Barbara and Fresno counties have used civilian corrections officers for years, and Placer County is currently implementing this approach.


For the LASD, the potential fiscal savings from this approach should at least equal the savings that would derive from a separate corrections department, and the savings may actually be greater in that a change in staffing does not require a new, separate administrative structure. The single organizational structure would also be advantageous operationally because jail and law enforcement services would be under one command. Finally, combining the jail and law enforcement functions alleviates coordination problems that can occur when two independent agencies are responsible for prisoner movement and control.

General Cost Survey Showed Savings for Fully Civilianized Jail Operations¹

To obtain more information on the potential advantages and disadvantages of operating a fully civilianized county jail, we completed a telephone survey of seven California counties, three of which have a separate corrections department and four of which the sheriff runs or will run (as in Placer County) a fully civilianized jail operation. Our consultant requested that these counties supply the annual salaries for their top-step deputy sheriff and top-step corrections officer positions. As Table 6 shows, significant differences exist between the salaries of sworn officers and those of corrections officers.



*Our consultant found
that other counties pay
civilian corrections
officers up to
19.6 percent less than
their sworn officers.*



The seven counties pay its corrections officers salaries that are between 10.9 to 19.6 percent less than salaries for sworn officers. However, some counties have not experienced savings in fringe benefit percentages because the counties have agreed to provide corrections officers retirement packages similar to those the counties provide peace officers. The counties stated that they made this compensation provision primarily to assist in recruiting and retaining better quality employees. The actual cost of the benefits for corrections officers will be lower than for sworn officers if the counties continue to base benefit amounts on salaries and use the same percentage rates for both civilians

¹ The term "fully civilianized operations" refers to jails using only civilian corrections officers and that remain under the organizational control of the sheriff's department. In actuality, senior sworn officers fill at least one and sometimes several of the top management positions.

Table 6

***Maximum Annual Salaries and Benefit
Rates for Custody Staff in Counties
That Use Corrections Officers***

County	Total Custody Staffing	Deputy Sheriff Salary and Benefits	Corrections Officer Salary and Benefits	Difference Between Pay and Benefit Rates
Fresno	398	\$49,514 27.7%	\$39,788 28.7%	19.6% (3.6%)
Madera	75	\$35,484 31.6%	\$29,184 18.4%	17.8% 41.8%
Napa	66	\$45,180 30.0%	\$38,748 30.0%	14.2% 0%
Placer	114	\$38,355 45.1%	\$33,975 34.2%	11.4% 24.2%
Santa Barbara	170	\$45,456 28.0%	\$40,524 28.0%	10.9% 0%
Santa Clara	979	\$52,251 27.0%*	\$45,173 27.0%*	13.5% 0%
San Diego	815	\$42,390 35.9%	\$35,006 38.0%	17.4% (5.8%)

*The county pays an additional \$6,237 per employee for health benefits.

and sworn officers. For example, in Santa Barbara County, the salaries for corrections officers are 10.9 percent lower than salaries for deputy sheriffs, but both positions have the same benefit rate. The actual cost of the benefits, however, will be 10.9 percent less because of the difference in salaries. Thus, in Santa Barbara County, total compensation for corrections officers, including salaries and benefits, will also be 10.9 percent less than for comparable deputies.


***Using Only Civilian Corrections
Officers at County Jails Has
Advantages and Disadvantages***

The counties our consultant contacted noted both the advantages and disadvantages of operating county jails with a completely civilian staff. A major advantage is that the salaries counties need to pay civilian corrections officers are significantly lower than salaries for sworn officers. Other advantages include a lower turnover rate among staff, a rise in morale, an increase in the recruitment of minority and female employees, and fewer inmate complaints. On the other hand,


counties' use of civilian corrections officers has disadvantages, such as sheriff's departments having fewer sworn officers available in a major crisis and having limited flexibility in assigning personnel.

***Working in Jails Appears To Have
Little Effect on Peace Officer Quality
and Career Development***

In pointing to the disadvantages of employing civilians to staff jails, our consultant noted that some proponents of retaining sworn officers at county jails believe that the first step in the career of a sworn officer should be an assignment in inmate custody. Moreover, these proponents state that the time spent performing jail duties produces a better-quality law enforcement officer than one who does not begin his or her career performing jail duties. Further, these proponents state that a sworn officer who begins his or her career working in the jails is accustomed to dealing with criminals and knows their characteristics. The LASD has stated that these benefits are a significant advantage of the LASD's current practice of using deputies rather than civilians to staff county jails.



Thousands of city police officers successfully perform law enforcement duties without first working in jails.



Although other sheriff's departments have made this same assertion, we have found no objective evidence to support the idea that time working in the jails produces more qualified sworn officers. Currently, thousands of city police officers perform law enforcement functions with the quality equivalent to sheriff's deputies even though most city police officers receive only a brief orientation to the functions of a jail. In fact, comparing two sworn officers of equal ability, the sworn officer who has spent ten years performing law enforcement work should possess at least equal, if not greater, law enforcement experience than a sworn officer who has spent five years in jail duty and five years in patrol.

The belief that jail duty is an important element in the development of good law enforcement personnel has even less validity for those newly promoted sergeants and lieutenants who return to jail assignments. The sworn officers who fill these positions usually possess experience as deputy sheriffs. Therefore, return assignments to the county jail do not appear especially beneficial to the officers' long-term law enforcement career. Thus, our consultant does not agree that jail service for sworn officers necessarily results in better law enforcement officers.

Counties' Use of Civilian Corrections Officers Would Reduce the Availability of Sworn Officers During a Major Crisis

A disadvantage of replacing sworn officers with civilian corrections officers at county jails is that the civilians cannot provide backup law enforcement when major civil disorders or natural disasters occur. In a major crisis, a sheriff's department usually needs to deploy large numbers of sworn officers in the field. To increase the number of available deputies during such times, a sheriff's department could cancel sworn officers' days off and place deputies on 12-hour shifts in the jails. These schedule modifications allow a sheriff's department to reassign temporarily a number of the jail deputies to field duty.


Some counties that employ civilians as jail staff partially mitigate their lack of a pool of additional sworn officers by using civilian corrections officers to perform limited duties in the field. For example, some counties, including Santa Barbara County, use corrections officers for field booking and prisoner transportation services when a major crisis occurs. Furthermore, Fresno County uses civilian corrections officers for some prisoner transportation services, while Santa Clara County uses corrections officers for all prisoner transportation. The extent to which Los Angeles County might require a pool of backup sworn officers needs to be evaluated.

Sheriff's Departments With Corrections Officers Have Less Flexibility in Assigning Personnel


While county sheriff's departments can use a deputy sheriff to perform many different jobs, the departments cannot use civilian staff in the same ways. A deputy sheriff can have duties in jail security, prisoner transportation, field patrol, court security, and criminal investigations. Generally, a corrections officer can only perform jobs in jail security and prisoner transportation. Thus, limited flexibility in its assignments for jail staff may be a disadvantage for some sheriff's departments that are considering employing corrections officers.

***County Jails That Use Corrections Officers
Keep the Same Staffing Levels but
Have Reduced Staffing Costs***

A major advantage of using civilian corrections officers rather than sworn law enforcement officers to staff county jails is that, if the number of budgeted positions remains relatively constant, total compensation to custody personnel will be less. Based on the survey of other counties, our consultant believes that total compensation for corrections officers could range between 15 to 20 percent less than total compensation for sworn officers.



By using corrections officers, other counties did not need to increase the overall number of custody staff.



However, LASD staff informed our consultant that Santa Clara County may have experienced the need for a major increase in the number of corrections personnel after it changed from sworn officer to civilian staffing at its jails. Our consultant pursued this issue with a Santa Clara County official, who stated that there were no staff increases related solely to the use of civilian corrections officers, except for those increases required to establish the administrative structure for a new, separate corrections department.

Moreover, since Santa Clara County began using corrections officers in late 1987, the board of supervisors of Santa Clara County has required annual reports on the actual cost savings. As of June 1996, Santa Clara County estimated it has realized cumulative savings of \$47.8 million, net of \$3 million in initial start-up costs. Because Santa Clara County could not hire new corrections officers until deputy sheriff vacancies occurred, its savings were relatively small in the early years of the transition. However, for the first 11 months of fiscal year 1995-96, Santa Clara County reported savings of \$6.8 million, even though it had not completely replaced all sworn supervisory positions. As shown in Table 6 on page 37, Santa Clara County currently has 979 custody staff.


Except for adding certain administrative positions when it established a new corrections department, none of the counties our consultant surveyed noted an increase in jail staff. Further, none could identify a reason why it would require more corrections officers to carry out the same duties that deputies had performed.

Counties That Use Corrections Officers at Jails Report Various Benefits to Civilian Staffing


Most of the counties we contacted reported that multiple benefits have resulted from their replacing sworn officers with civilian corrections officers at county jails. Some of these benefits include lower rates of employee turnover, higher employee morale, an increase in the recruitment of minorities and women, and a decrease in complaints against personnel.

Some of the counties said that one advantage of employing civilians at jails is increased employee stability and job satisfaction. Counties stated that they hire civilian employees pursuing careers in corrections. Therefore, corrections officers do not view an extended assignment in the jails as a necessary inconvenience to earning a law enforcement assignment. Sworn officers, on the other hand, are motivated by the prospect of performing law enforcement services, and many do not view lengthy jail assignments with favor.

Although rotation to law enforcement service is not an element of the corrections officer concept, there is nothing inherent in the classification that prevents incumbents from taking the tests for deputy sheriff and moving to that position if they so desire.



*Two counties
substantially improved
minority and female
recruitment and retention
by converting sworn
officers to civilians.
Further, inmate
complaints declined after
changeover.*



Both Santa Barbara and Fresno counties also reported that replacing sworn officers with civilian corrections officers has substantially improved their minority and female recruitment and retention because the civilian positions have less stringent job requirements. These counties stated that about 40 percent of their corrections officers are women. The counties view the improved minority and female recruitment as a distinct benefit to their affirmative action efforts.

Interestingly, two counties noted that the use of civilian corrections officers has resulted in fewer complaints by inmates against jail custody personnel than occurred when deputy sheriffs had custody duties. One county noted a marked decline in these complaints over the first few years of the changeover from deputies to corrections officers. Further, this county stated that as much as a year has passed without its receiving an inmate complaint about the staff's use of unnecessary force. Both counties attribute the reduced number of complaints to the employees' increased job stability and satisfaction.

***The LASD Could Save Millions in
Salary and Benefits Costs if It
Employed Civilians as Jail Guards***

Although counties' use of civilian corrections officers has some disadvantages, savings in salaries and benefits are an unquestionable benefit of this staffing approach. Given its fiscal problems, Los Angeles County and the LASD should explore any potential means of reducing county costs. If the LASD were to employ corrections officers in its jails, it may be able to save an estimated \$25.4 million to \$33.6 million in annual salary and benefits costs.


—◆—
*By using corrections
officers, the LASD may
save from \$25.4 million
to \$33.6 million
annually.*
—◆—

Our consultant analyzed the potential cost savings if the LASD were to convert the deputy positions in its jails to corrections officer positions. In fiscal year 1995-96, the LASD budgeted 2,292 sworn officers for the county's jails. Also, with the opening of the new Twin Towers Correctional Facility (Twin Towers), the LASD will add at least 150 more sworn officers, for a total of 2,442 positions in the jail system. If top-level sworn officers were to direct a fully civilianized jail system, the LASD would not convert all of the 2,442 positions. Thus, we used 2,400 as the base number of positions that the LASD could convert.


The average annual salary and benefits for a top-step deputy sheriff in Los Angeles County is \$70,670. Drawing on information from his survey of other counties, the consultant then assumed that corrections officers will receive a salary between 15 to 20 percent less than this amount. For ease of calculation, our consultant used only the average salary and benefits for the top-step of the LASD's deputy sheriff generalist position. However, in actuality, the 2,400 positions in his calculation would include many higher-ranking positions. Basing our calculations on these assumptions, we estimate that the potential savings in salaries and benefits to the LASD may be \$25.4 million to \$33.6 million annually. However, the LASD will not reach this level of annual savings until the county's jail staff converts fully to corrections officers. We did not develop an estimate for the potential savings in training costs for new employees. However, the LASD should assess the training needs and costs when it studies a possible staffing changeover.

Los Angeles County Needs To Address the Feasibility of Using Corrections Officers at Its Jails

Three points regarding using corrections officers in the county need emphasis. First, the counties contacted that employ corrections officers in their jails did not suggest that their staffing approach is necessarily the best for all counties. These counties indicated the many advantages that this staffing method has created within their departments and stated that they do not intend to return to using sworn officers at their jails. However, county officials stressed that each agency needs to evaluate how it will proceed. The reasons why the use of civilian corrections officers may not be appropriate for all counties include difficulties in negotiating with bargaining units, dealing with the lack of flexibility in job assignments for corrections officers, and reconciling the staffing change with the county's philosophy of how it operates its jail system.



*To assess the potential
feasibility of a fully
civilianized jail system,
the LASD and county
should study this issue
immediately.*



Next, there may be some who believe that the size of Los Angeles County hinders the county's potential for making this type of staffing change. That is, the size of Los Angeles County would prevent full civilianization of the jails. Without completing a detailed analysis specific to Los Angeles County, we cannot completely refute this assertion. However, our consultant found no evidence that would support this assertion, and he believes that a county's size is not a determining factor in the successful conversion of sworn officer positions to corrections officer positions at county jails.

Finally, our survey and analysis were not exhaustive or detailed. In other words, additional advantages or disadvantages of civilianized jail operations may exist. Our intent was to assess the potential feasibility of a fully civilianized jail system in the county and to determine if the LASD should perform a more intensive study of the issue.

Current events dictate that the LASD study its jail staffing in the immediate future. On October 10, 1996, the board of supervisors approved an LASD plan for opening Twin Towers and expanding and reopening other jails. Under this plan, the LASD would add a significant number of jail employees, including more than 150 sworn officers and 100 custody assistants. The sooner that the LASD completes this study, assuming that the county finds this approach feasible, the sooner the LASD could use this new civilian corrections officer classification in future jail expansions.

In staffing Twin Towers, the LASD has made some progress in using more civilians in custody positions. The LASD currently plans to staff Twin Towers with 872 custody personnel, of which 262 positions or 30 percent of the total staffing will be civilian custody assistants and the remainder sworn officers. Since custody assistants make up less than 10 percent of the total custody staffing of the county's jails, the LASD will be using custody assistants more extensively at Twin Towers. However, these efforts are only an initial step of the full study that we recommend that the LASD perform.

Presumably, the jail staffing plan would include, in addition to the basic entry-level positions, supervisory and management positions within the corrections classifications. So that no current sworn officer loses his or her job, the LASD would need to phase in this conversion, perhaps on a facility-by-facility basis.

Conclusion

California sheriffs have traditionally used sworn law enforcement officers to staff jails. However, to save staffing costs, some counties have begun to convert these deputy positions to lower-salaried civilian corrections officer positions and have reported a cost savings. In addition, counties have reported several other advantages and disadvantages to using corrections officers as custody staff.

The LASD primarily uses deputies to staff the county's jails. Our consultant estimates that the LASD may be able to save from \$25.4 million to \$33.6 million in annual staff costs if it replaced the sworn officers at jails with corrections officers. The LASD should perform a study to determine the realizable savings and if such a staffing change is feasible.

Recommendations

To determine the feasibility of replacing with civilian corrections officers the sworn officers who serve as jail custody staff, the LASD should take the following actions:

- Perform a thorough analysis of the annual cost savings that would result from a staffing conversion, as well as the other advantages and disadvantages.
- Present the study, along with recommendations, to the board of supervisors for its review.

Chapter 4

The Los Angeles County Sheriff's Department Has Substantially Revised Its Plans for Operating, Staffing, and Funding the Twin Towers Correctional Facility

Chapter Summary

The Twin Towers Correctional Facility (Twin Towers) is a new 4,192-bed jail that incorporates a hospital and an inmate receiving and releasing center. Although construction on Twin Towers ended in late 1995, the financial difficulties of Los Angeles County (county) have prevented the Los Angeles County Sheriff's Department (LASD) from opening the facility. The State provided a large portion of the facility's \$373.4 million total construction costs, and failure to open Twin Towers fully might require the county to repay the State's share.

In early 1996, the LASD proposed a \$149.3 million budget, including \$100.4 million in new funding, to operate Twin Towers. Because of the county's budgetary pressures, the LASD and other county representatives developed a revised plan and budget to open Twin Towers that significantly reduced the funding amounts requested in the original budget proposal.

On October 10, 1996, the county board of supervisors accepted this revised plan and budget, which demonstrates the LASD's imagination, willingness to take acceptable risks, and greater concern for cost effectiveness. The revised plan and budget add 1,818 beds to the county jail system, allow the county to obtain additional revenue by contracting another 1,992 beds to state and federal agencies, and transfer all female inmates from the Sybil Brand jail to Twin Towers while the Sybil Brand jail undergoes repair. The revised plan does not include opening a correctional treatment center, which is an acute medical care and psychiatric services hospital for inmates, and provides a net increase of 1,818 beds for county prisoners rather than the 4,192 beds described in the original plan. However, the LASD proposes to operate the new facility at an increase in net county costs of only \$16.3 million in fiscal year 1997-98 instead of the \$100.4 million listed in the original budget proposal.

The LASD and the county realize that opening Twin Towers is not the ultimate solution to the serious problems created by the county's overcrowded and aging jail facilities. Additionally, the Twin Towers plan does not address the county's potential obligation to establish a licensed correctional treatment center within its jail system. This issue will require additional funding to resolve.

The consultant to the Bureau of State Audits reviewed the original budget and concluded that the LASD had requested more funding than it needed to provide reasonable staffing levels at Twin Towers. (The consultant's analysis of the original budget appears in Appendix B.) Our consultant also reviewed the LASD's revised plan and budget to open Twin Towers and found that the LASD has based the plan upon optimistic revenue assumptions. In particular, the plan relies on 100 percent use of the contract beds and a forecasted increase in revenues from public safety sales taxes. In addition, the LASD overstated by \$624,000 its estimate of revenue for contracting jail beds during fiscal year 1997-98, and the LASD has not determined the funding source for most of the capital improvements in the plan. The LASD is aware of these risks and may contract more jail beds to other agencies to offset any revenue shortfalls. Moreover, in examining the revised plan and budget, the consultant found opportunities for the LASD to reduce the costs to operate Twin Towers by \$2.0 million to \$2.5 million annually. We also found opportunities for the LASD to reduce services and supplies as well as overtime budgets by an additional \$1.4 million to \$2.4 million annually.

Background

Twin Towers is a newly constructed, multipurpose jail designed to house 3,992 inmates in an eight-story tower and a seven-story tower, known as Tower One and Tower Two, that have relatively equal custody space. Twin Towers' four-story hospital tower, known as the medical services building, can house an additional 200 inmates needing medical care. Also included in the 4,192-bed facility is a two-story inmate reception center, which receives and releases inmates for the county's entire jail system. The inmate reception center will replace most of the functions that the LASD's existing center performs, and the new center is substantially larger.

As designed, Twin Towers is to operate as an all-male maximum security jail. While it designed Tower One to house maximum security inmates, the LASD intended Tower Two to house inmates who are receiving medical or mental health outpatient services. In addition, the LASD

planned the medical services building to operate in compliance with the State's regulations governing licensed correctional treatment centers, as prescribed in Title 22 of the California Code of Regulations. The county's jail system currently lacks this type of hospital facility.

Construction costs for Twin Towers totaled \$373.4 million, of which the State provided \$247.8 million. The county supplied the remaining funds.*

***The Original Budget for Twin Towers
Required \$100.4 Million
in New County Funding***

The LASD originally believed Twin Towers would cost \$149.3 million annually to operate. Of this amount, the LASD requested new funding for \$100.4 million and planned to offset the remaining \$48.9 million with existing resources. On July 3, 1996, the LASD submitted the details supporting its original budget to the board of supervisors.

Table 7 summarizes the original Twin Towers budget. The budget includes six categories of personnel expenditures plus other costs related to overtime, services and supplies, and fixed assets.

Our consultant's analysis of the LASD's original budget to operate Twin Towers appears in Appendix B of this report.

***The County Was Unable To Fund the
Original Budget for Twin Towers***

As construction of Twin Towers neared completion in late 1995, the LASD had not received approval of its request for \$100.4 million in annual operating costs. Consequently, in early 1996, the LASD's planning discussions focused on opening, in fiscal year 1996-97, only Tower One at an annual net county cost of about \$36.3 million. However, the LASD was unable to pursue this approach because of the county's

* As a condition of receiving state funding, in late 1990 the LASD originally prepared for the State a proposed operating budget and staffing plan. However, our review focused on the budgets the LASD submitted to the board of supervisors for operating Twin Towers in fiscal year 1996-97.

financial constraints and the insistence by the State, which had supplied a large portion of construction funds, that the full facility open as expected.

Table 7

***Original Annual Budget for the
Twin Towers Correctional Facility
(Costs in Thousands)***

Function	Total Positions	Total Cost	New Positions	New Costs ^a
Custody	735	\$ 44,263	735	\$ 44,263
Inmate Reception Center	816	39,273	245	11,091
Medical services	774	35,370	383	17,775
Food services	128	3,777	128	3,777
Computer systems	15	830	15	830
Facilities maintenance	54	2,730	54	2,730
Total Salaries and Benefits	2,522	126,243	1,560	80,466
Overtime		4,000		4,000
Services and supplies ^b	84	18,384	84	15,190
Fixed assets		722		722
Totals	2,606	\$149,349	1,644	\$100,378

^aProportion of Total Positions and Total Costs that required new county funding.

^bIncludes 84 contract food service workers.

Failure to open Twin Towers could result in repayment of \$247.8 million to the State.

Moreover, the following critical factors have complicated the county's decision about whether or not to open Twin Towers:

- Failure to open the facility could result in the county having to repay the State's \$247.8 million share of the construction costs.
- Because of the type of financing the county used to construct Twin Towers, the LASD cannot contract this jail's beds to federal agencies that need to house prisoners.
- Overcrowding of county jails is such a severe problem that the LASD is releasing many sentenced inmates who have not served their full sentences. The LASD estimates that inmates now serve, on average, only about 35 percent of their sentences.

- Closures of three county jails due to insufficient operating funds and a fourth jail because of structural problems and earthquake damage have compounded the overcrowding problem. The county's remaining seven jails and hospital ward have a maximum mandated capacity of 20,099 inmates, and they are regularly near capacity. Furthermore, the only women's jail, Sybil Brand, has serious structural and slope erosion problems that the county will need to address soon.
- The county's jail system is under continuing review by the federal court as the result of litigation that originated in 1975. Several separate but related cases have followed this litigation.

The Revised Plan Is Imaginative and Substantially More Cost Conscious Than the Original Plan

Once the LASD realized that the board of supervisors would not authorize funding for the original budget submitted on July 3, 1996, and that the State would not allow the county to open Tower One only, the LASD began developing a revised plan for opening Twin Towers. Taking into account the critical factors named above, the revised plan calls for the opening of Twin Towers, adding jail beds to current jails, contracting out parts of several jails, moving prisoners among jails, and renovating several jails. The LASD's revised plan includes a budget that significantly reduces the costs to operate Twin Towers. The board of supervisors approved the revised plan and budget on October 10, 1996.

The revised plan includes a budget that significantly reduces the costs to operate Twin Towers.

The significant elements of the revised plan and budget include the following:

- The phased opening of Twin Towers, starting in January 1997 and concluding in May 1997. Although Tower One will house high-security inmates transferred from another jail, operation of Twin Towers will differ significantly from its original intended use in the following ways:
 - Sybil Brand jail will close for repairs, and its female inmates will move into Tower Two. (Ultimately, the LASD intends to return all female inmates to the renovated Sybil Brand jail and then operate Twin Towers as an all-male facility.)

- The new inmate reception center at Twin Towers will process both female and male inmates.
- The medical services building will open; however, it will not serve as a licensed correctional treatment center.
- The LASD will add 3,810 new inmate beds countywide, net of the Sybil Brand jail closure. The LASD plans to contract to the state and federal governments 1,992 of these beds at existing county jails. The LASD estimates revenue from these contract beds at \$37.1 million annually.
- The county will gain 1,818 beds for its own prisoners instead of the 4,192 that it had originally envisioned in its design for Twin Towers.

Table 8 summarizes the LASD's costs and revenues under the revised plan for operating Twin Towers.

Table 8

***Summary of the Costs and Revenues
Necessary To Open Twin Towers and
Other Jails Under the Revised Plan
(In Thousands)***

Item	Fiscal Year 1996-97 ^a	Fiscal Year 1997-98 ^b
Total operating cost	\$42,080	\$121,900
Offsets:		
Transfer of existing resources	23,810	68,530
Contract revenues	12,930	37,120
Net operating cost	5,340	16,250
Capital improvements	9,030 ^c	NA ^d
Net county cost	\$14,370	\$ 16,250

^aThese costs and revenues begin in January 1997.

^bThese figures are annual costs and revenues for fiscal year 1997-98 and future fiscal years.

^cThis figure includes repairs and renovations at the Sybil Brand jail and other jails. The LASD estimates total repairs for the Sybil Brand jail will cost \$24.5 million.

^dThe county has not determined the capital improvements it will fund in future fiscal years.

***The Revised Plan Will Address
Several Major Problems in the
County's Jail System***

Our consultant reviewed the LASD's revised budget and concluded that it demonstrates imagination and considerably more attention to cost control than did the original budget. Unlike the original budget, the revised budget takes risks when risk-taking is appropriate. Moreover, if the county does not experience unforeseen difficulties, the LASD has the ability to implement the operational components of the revised budget, although not without a great deal of continued planning and effort. If the LASD does so successfully, it will accomplish several of the county's key objectives:

- Opening Twin Towers, thereby eliminating the potential liability of the county's having to repay the State its \$247.8 million share of the construction costs.
- Obtaining an additional 1,818 beds to house county inmates, thus partially alleviating the county's shortage of jail beds.
- Beginning to address the problems and hazards at the Sybil Brand jail, a source of great concern within the department.

With the significant reductions in staffing from the original budget, the elimination of some planned services (especially medical), and the use of currently budgeted positions to offset partially the need for more personnel, the LASD is proceeding with its revised budget, which includes a much lower operating cost for Twin Towers than previous plans.

***The County Intends To Obtain Funds
for the Revised Jail Budget
Through Contracts and Tax Revenue***

An essential element in the LASD's revised budget is the production of over \$37.1 million in annual revenue by the LASD's contracting 1,992 jail beds to the state and federal governments. The LASD is currently negotiating with state and federal agencies to house their prisoners in county jails, with the LASD providing security over inmates. Under the revised budget, generating this revenue is critical to the LASD holding net county costs to approximately \$16.3 million annually.

Generating \$37.1 million in annual revenue from contracting out jail beds is critical to holding the county costs to approximately \$16.3 million.

Our consultant reviewed the LASD's revenue assumptions and found that some risk exists regarding the county's ability to generate the planned revenue. For instance, the revised budget projects revenue based on 100 percent occupancy of the contract beds rather than on a percentage based on actual occupancy. In addition, it assumes the county will collect the maximum allowable rate per inmate day. According to the LASD, it is attempting to obtain guaranteed payment for a specified percentage of beds per year and not for the actual number of inmates it places in the jails. However, the written expressions of interest received in October 1996 from the federal government express interest on a space available, reimbursement when used basis and from the state government for a rate structure different from that used in the LASD's calculation. No actual contracts between the LASD and these entities exist at this time. The LASD recognizes these risks and is actively pursuing contracts for more jail beds with the state and federal governments. Also, the LASD made an error in calculating the potential revenue from contracting out jail beds during fiscal year 1997-98. Specifically, the LASD used the daily bed rate applicable to fiscal year 1996-97, rather than the daily bed rate applicable for fiscal year 1997-98, which was lower. As a result, the LASD overstated its potential revenue for fiscal year 1997-98 by approximately \$624,000.

In addition to obtaining contract revenue, the county intends to fund the remainder of the costs associated with the revised budget primarily with an increase in the amount of revenues it currently receives from public safety sales taxes along with other minor funding sources. However, the county is estimating this funding based upon a forecasted increase in the current level of such revenue, and the actual amount the county receives may differ from the amount the county has budgeted. Moreover, the county has not determined funding sources for most of the capital improvements included in the plan or for the operating costs of the Sybil Brand jail when it reopens.

Some Additional Reductions in Twin Towers' Operating Costs May Be Feasible

Despite the substantial cost-cutting steps the LASD took in developing the revised budget for Twin Towers, we and our consultant found opportunities that could reduce operating costs further. Specifically, the LASD could reduce costs by using more inmate workers and reducing staffing levels for positions transferred from Sybil Brand jail but not needed at Twin Towers. Also, if we compare the revised Twin Towers' budget to

The LASD may be able to reduce its annual operating budget by an additional \$3.4 to \$4.9 million.

budgets for the county's other jails, the LASD appears to have overstated Twin Towers' needs for services and supplies as well as overtime. In summary, the LASD could reduce its annual operating budget by approximately \$3.4 million to \$4.9 million in the following ways:

- **Reevaluating its inmate worker policy**—According to the revised budget, the LASD will continue to employ civilian workers, instead of inmates, for certain duties at Tower One, the inmate reception center, and the medical services building. If the LASD were to use inmates as property clerks, custodians, laundry workers, and warehouse workers, our consultant estimates that the LASD could save up to approximately \$1 million to \$1.5 million annually, net of security costs. However, to determine the extent of any cost savings that it could achieve, the LASD needs to analyze thoroughly how it intends to use inmate workers at Twin Towers.
- **Maintaining the staffing levels proposed in the original budget**—By closing the Sybil Brand jail and transferring its staff to Twin Towers, as planned in the revised budget, the LASD will make staffing at Twin Towers for some classifications more generous than the staffing called for in the original budget. If it were to staff these classifications as proposed in the original budget, our consultant found that the LASD could further reduce Twin Towers' operating costs by \$1 million.

Below are examples of the staff classifications involved and the cost increases included in the revised budget:

- Two captains instead of the one captain listed in the original budget (\$114,000);
- Fourteen lieutenants instead of nine (\$510,000);
- Seven automated time-keeping system operators instead of four (\$103,000); and
- Nine evidence and property clerks for Tower Two instead of none (\$287,000).

According to the LASD, the primary reason for this overstaffing is the LASD's desire to retain the transferred positions from Sybil Brand jail so that the employees can all return as a group to that facility after its renovation. While we understand the LASD's concern for its employees, we learned that renovation of the Sybil Brand jail is expected to

take more than two years. In the interim, some or all of the above extra positions could be left vacant as a way for the county to reduce costs.

- **Stating more reasonably its needs for services and supplies**—Although most of the non-staff costs for Twin Towers are reasonable, the LASD appears to have overstated its needs for services and supplies, which include inmate clothing, pest control, and cleaning supplies. Services and supplies, net of utilities, at the county's other seven jails ranged from \$221 per inmate annually at Men's Central Jail to \$490 per inmate annually at Pitchess Detention Center South. By comparing the \$759 per inmate budgeted amount for Twin Towers to the next highest cost incurred at Pitchess Detention Center South during fiscal year 1995-96, we estimate that the LASD could reduce its budgeted services and supplies for Twin Towers by \$1 million.
- **Stating more reasonably its need for overtime**—Similarly, in comparing the overtime costs budgeted for Twin Towers to the fiscal year 1995-96 overtime expenses incurred at the Men's Central Jail and the average overtime expenses of the county's seven operating jails, we estimate that the LASD could reduce the overtime budgeted for Twin Towers by \$400,000 to \$1.4 million. Overtime is necessary to fill staffing vacancies and cover employee shifts when employees are absent from work.

***The Revised Plan for Twin Towers
Does Not Address Other Ongoing
Problems in the County's Jail System***

The LASD and the county recognize that opening Twin Towers is only an initial step in resolving the significant overcrowding and related problems confronting the county's jail system. The addition of about 1,818 beds for county inmates will only begin to reduce the overcrowded conditions in the county's jails. Not only does it recognize the need to house prisoners for a greater percentage of their sentences, but the LASD estimates that it currently needs jail beds to house 34,000 prisoners. Although the revised Twin Towers plan calls for an increase in the county's total jail beds to 21,917, the county's jail system will continue to have inadequate space and need to release sentenced prisoners early.

In the future, the county may be able to construct new jails or renovate old ones using funds from voter-approved ballot measures. While the LASD may be able to find funding to construct new jails, the LASD's financial problems reside principally in funding jail operations. The challenge for the LASD and the county is to find funding to operate a jail system that suits the county's needs.

In addition to these concerns, the county's jail system still lacks a correctional treatment center.

Failure To Provide a Licensed Correctional Treatment Center Exposes the County to Potential Further Litigation

In 1992, a federal court ordered the sheriff to establish a hospital for inmates.

A licensed correctional treatment center (CTC) is an acute medical care and psychiatric services hospital for inmates, and the county currently does not have such a hospital in the jail system. The requirements for a licensed CTC are set forth in Title 22 of the California Code of Regulations and a 1992 order issued by the U.S. District Court under *Rutherford v. Block* directed the county to work towards establishing such a facility. That order states in part that "the Sheriff shall work towards obtaining state licensure of all jail health care facilities and providing constitutionally adequate health care to all inmates in his custody . . ." The negotiations between the county and the plaintiffs in this case have centered on the establishment of a licensed CTC within Twin Towers when it opens. Although the original budget for Twin Towers included funding for a licensed CTC, the revised budget does not include this funding. Moreover, given its financial difficulties, the county does not have definite plans for establishing such a facility. To meet the requirements of the court order, the LASD will soon need to address its lack of a licensed CTC.

Conclusion

Despite some shortcomings, the LASD's revised plan for operating Twin Towers demonstrates more imagination, willingness to take acceptable risks, and concern for cost-effectiveness than did the original plan. The revised plan creates 1,818 new beds for county prisoners, provides 1,992 beds that the county will contract to state and federal agencies in order to obtain additional revenue, and transfers all female inmates from Sybil Brand jail to Twin Towers while Sybil Brand jail undergoes renovation. Although the net increase in beds for county inmates is only 1,818 instead of the

4,192 beds anticipated under the original Twin Towers plan, the LASD proposes to operate the new facility at an increase in net county cost of only \$16.3 million in fiscal year 1997-98 instead of the \$100.4 million originally planned. The main reasons for this decrease in net county cost are the LASD's reduction in medical services for inmates, use of existing budgeted positions to fill some staffing requirements, reductions in staffing for custody and the inmate reception center, and generation of revenue from contracting jail beds to state and federal agencies.

Nonetheless, the LASD has based its revised budget for opening and operating Twin Towers upon optimistic revenue assumptions. Further, the LASD has not yet entered into agreements with agencies that will contract for jail beds, and it has overstated by \$624,000 its estimate of contract revenue for fiscal year 1997-98. Also, opportunities exist for the LASD to reduce the operating budget of Twin Towers by \$3.4 million to \$4.9 million annually.

In opening Twin Towers, the county will not resolve the problems of jail overcrowding and the early release of prisoners. Additionally, opening Twin Towers will not address the county's requirement under a federal court order to establish a licensed CTC within its jail system. The county and the LASD will need additional funding to resolve this shortcoming.

Recommendations

To improve the planning and budgeting process within the LASD and to address the corrections problems within the county, the LASD should take the following steps:

- Reevaluate the revised budget for Twin Towers to make additional reductions in the annual operating costs. In particular, the LASD should closely review whether it can reduce costs by using inmate workers and whether it will need all the positions transferred from the Sybil Brand jail. In addition, the LASD should reduce to more reasonable levels its budgets for services and supplies as well as overtime.
- Continue its efforts to obtain revenue to make its revised budget and plan successful. Specifically, the LASD should continue to pursue contracts with the state and federal governments in which the LASD will provide jail beds. In

addition, the LASD should determine funding sources for the renovation of the Sybil Brand jail and other capital improvements.

- Carefully scrutinize future budget requests for new facilities and programs, such as the upcoming request for reopening the Sybil Brand jail, to ensure that the requests represent the most cost-effective plans. Also, the LASD should consider submitting in its future budget requests different options for service levels to allow the county to choose how it will implement the requests.

We conducted this review under the authority vested in the state auditor by Section 8543 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope of this report.

Respectfully submitted,

Mary P. Noble

for

KURT R. SJOBERG
State Auditor

Date: November 21, 1996

Staff: Steven M. Hendrickson, Audit Principal
John Baier, CPA
William Anderson, CGFM
Craig A. Lewis, CPA
Art Martinez

Appendix A

Status of Issues Noted in Our Previous Audit of Los Angeles County

In March 1996, we issued a report on our first audit of the Los Angeles County (county) budget, entitled *Los Angeles County: Balanced Budgets Will Be a Continuing Challenge*. In this appendix, we address the status of issues described in that report.

Overtime Controls Need Some Additional Improvement

In our previous audit, we noted that the county needed to improve its controls over the use of overtime. While the county has implemented additional controls, several departments have decided not to follow these new procedures, and departments believe that the procedures are cumbersome.

Overtime continues to be a major county expense. In fiscal year 1995-96, county departments incurred overtime expenses totaling \$180.2 million, as compared to \$207.3 million in fiscal year 1994-95. To better control the use of overtime, the county, through its chief administrative office, implemented a central review of planned overtime expenditures. Under this new procedure, county departments are to submit quarterly overtime requests to the chief administrative office for review and approval. However, several county departments, primarily those of elected officials, have chosen not to participate in this review process.

We reviewed the requests departments submitted for the first quarter of fiscal year 1996-97. One department, Health Services, is working with the chief administrative office to develop a request that is informative and accommodates the large size of the department. However, we found that the chief administrative office had not received requests for three departments. These three departments chose not to submit requests, even though the departments were likely to incur significant amounts of overtime during fiscal year 1996-97.

For example, the Los Angeles County Sheriff's Department (LASD) is one of the departments that has chosen not to follow these new county procedures for overtime requests. During fiscal year 1995-96, LASD employees received \$37.9 million for overtime worked. The LASD believes that its own controls are sufficient to ensure that it is managing overtime efficiently. The LASD also believes that the new procedures are too cumbersome and suggests that the county should allow the LASD simply to manage its own overall budget. The county's district attorney and the municipal courts have also chosen not to follow these procedures for submitting overtime requests.

Moreover, the administrative deputies of county departments met and recommended that the chief administrative office modify the procedures for overtime requests. The deputies' concerns are that the new procedures are too cumbersome, particularly for large departments. The administrative deputies proposed that each department prepare an annual plan for the control and authorization of overtime and that the chief administrative office approve and monitor the plan. The chief administrative office is currently considering this suggestion, but it has not decided what changes it will make to its current procedure.

The County Is Restructuring Its Health Services Delivery System

As explained in our March report, Phase II of the 1115 Waiver required the county to begin restructuring its health-care delivery system to provide comprehensive services with an emphasis on prevention and primary care. To accomplish this task, the county needed to shift from providing county residents with expensive hospital-based inpatient services to supplying less expensive clinic-based outpatient services. The county maintains 39 health clinics and 6 hospitals. To achieve its goals to restructure its health services system, in fiscal years 1995-96 and 1996-97 the county implemented or will implement the changes described below:

- **Private partners now operate 6 of the county's 39 health clinics, and 4 others will soon have private operators.** In fiscal year 1995-96, the county entered into agreements with private companies that would operate 6 county health clinics. In September 1996, the county entered into similar agreements for 4 additional county health clinics.

- **The county will enter into agreements with 44 private clinics that will accept county patients during fiscal year 1996-97.** The county will use these 44 privately operated clinics to increase access for indigent care paid for by county funds. The county's agreements with these privately operated clinics will allow indigent patients to receive outpatient services at more locations than in previous years, thus increasing these patients' access to medical care.
- **The county has begun the privatization of Rancho Los Amigos Medical Center.** As part of its shift from expensive inpatient care, the county has identified three potential private partners to take over operation of the Rancho Los Amigos Medical Center. During fiscal year 1996-97, the county will continue to streamline operations at the facility and reduce the current workforce.
- **The county may privatize the High Desert Hospital.** The county has taken the initial steps towards having a private company operate the county's High Desert Hospital.

These actions will allow the county to expand access to community-based primary care services and to provide public health services consistent with the requirements of the 1115 Waiver. The county has thus accomplished significant steps in its efforts to restructure its health delivery system.

The County Has Continued the Hiring Freeze and Has Not Increased Employees' Salaries

In our previous audit, we noted that the county's fiscal problems were partially the result of past salary increases provided to its employees. We also observed that the county had instituted a policy of not negotiating salary increases and had implemented a hiring freeze. We recommended that the county continue these policies as a means to limit costs until its fiscal situation improves. The county concurred with our recommendations and has maintained these policies. As shown in Table 9, the policies helped reduce the county's expenditures between fiscal years 1994-95 and 1995-96.

Table 9***Decrease in General Fund Salaries and Wages
Between Fiscal Years 1994-95 and 1995-96
(In Thousands)***

Fiscal Year	Salaries and Wages
1994-95	\$2,099,740
1995-96	1,942,251
Decrease	\$ 157,489

***The County Is Reserving Taxes
That It May Need To Refund***

In September 1995, the California Supreme Court upheld the constitutionality of Proposition 62, a 1986 initiative that requires voter approval of all new or increased local taxes. Certain taxes first imposed or increased without voter approval after the effective date of Proposition 62 may be invalidated. As of the end of July 1996, the California Supreme Court has provided no further clarification about whether its decision will apply only prospectively to all new taxes or retrospectively to all Proposition 62 taxes since the proposition's inception.

The county estimates that between July 1, 1986, and June 30, 1996, the county collected approximately \$307 million in such taxes. However, the amount the county may need to refund is slightly less than the \$307 million, as the effective date of Proposition 62 was November 4, 1986.

In July 1996, the county counsel recommended that the county reserve revenues from the taxes increased or newly added in fiscal year 1995-96, concluding that those taxes were most in danger of being invalidated if litigation were brought against the county. The county counsel stated further that any effort by an outside party to obtain a refund of such taxes would be subject to a three-year statute of limitations. Following this recommendation, the county established a reserve account of approximately \$55 million that consists of \$6 million in new or increased taxes from fiscal year 1995-96 and all estimated Proposition 62 taxes for fiscal year 1996-97. The county counsel recommends that the county continue to reserve all Proposition 62 revenues until the reserve contains taxes for three fiscal years. Then, in each subsequent fiscal year, assuming no change in the statute of limitations or no additional litigation,

the county would have available for expenditure in that fiscal years' budget the equivalent of annual tax revenues for one year.

The courts may take several years to resolve the issue of whether Proposition 62 will apply retrospectively. However, as described above, the county has developed a method for reserving the funds that it may need to refund eventually.

Appendix B

The Original Twin Towers Budget Requested More Funding Than Required To Meet Minimum Reasonable Staffing Levels

The consultant to the Bureau of State Audits reviewed the original budget prepared by the Los Angeles County Sheriff's Department (LASD) for operating the new Twin Towers Correctional Facility (Twin Towers). Taking into consideration the financial problems of Los Angeles County (county), our consultant concluded that the budget sought more resources than necessary to achieve a reasonable minimum staffing level. Specifically, the LASD could have used existing staffing to offset some of the funding it requested. In addition, the LASD should have considered revising its policy that prohibits inmates from working at Twin Towers in order to lower operating costs at the new jail. Finally, if it had performed a more critical analysis of the staffing plans contained in the original budget, the LASD could have reduced staffing further. Our consultant thus estimates that the LASD could have reduced the original budget for Twin Towers by a total of \$19.9 million to \$21.7 million annually without significantly changing the intended operation of the facility.

The LASD's Original Budget Did Not Use Existing Budgeted Positions To Offset Personnel Costs

Our consultant found that the LASD could have used existing budgeted positions to offset some of the operating costs listed in the LASD's original budget for operating Twin Towers. Specifically, the LASD could have included in the budget between 158 to 168 currently budgeted positions in the custody, medical services, food services, and facilities management functions to offset the staffing and funding needed to open Twin Towers. Between 104 and 114 of these positions are currently unfilled, and the LASD could have included them in the staffing for Twin Towers. The remaining currently budgeted positions that the LASD should have incorporated into the original staffing plan are 54 positions now occupied by custody and facilities management personnel who are part of the Twin Towers transition team.

The LASD's 158 to 168 currently budgeted positions include the following:

- **Custody:** 39 positions, all of which are currently filled.
- **Medical Services:** 83 to 88 positions, all currently unfilled due to the county's hiring freeze. Recently, the county approved many of these positions for funding and assignment to posts within the existing LASD jail system.
- **Food Services:** 21 to 26 positions, all unfilled.
- **Facilities Management:** 15 positions, all currently filled.

In its revised budget of October 10, 1996, the LASD used some of these positions in its revised staffing plan, and the transfer of these positions partially offset the costs needed to open Twin Towers. In addition, our consultant found no evidence that the LASD's use of these budgeted positions is temporary. Apparently, the LASD has determined that it does not need these positions to meet basic service requirements in their currently assigned units. If the LASD had made these previously budgeted positions available when it developed the original budget, the LASD could have reduced its original budget request by \$7.1 to \$7.4 million.

***The LASD Should Have Analyzed
More Fully the Cost-Effectiveness
of Its No-Inmate Worker Policy***

To maximize security, the LASD originally intended to operate Twin Towers without inmate workers. This policy constituted a significant change from operating practices at the seven other LASD jails, which generally use inmate workers within the facilities. The policy for Twin Towers would require civilian workers to perform jobs usually assigned to inmate workers.

Our consultant reviewed this policy and found that the LASD had not performed a full, accurate assessment of the costs and benefits of eliminating inmate workers from its jail staff. Thus, the decision not to use inmate workers at Twin Towers could increase costs beyond what is essential for basic operations. The functions affected by these cost increases include the following:

- **Kitchen staffing and security**—Using civilian workers would increase the cost to operate the kitchen by approximately \$2.9 million.
- **Warehouse-related staffing**—The additional annual cost of using civilians rather than inmates for warehouse-related functions is an estimated \$375,000.
- **Custodian staffing**—The annual cost for 21 custodian positions is \$509,000.
- **Laundry-related staffing**—The estimated annual cost for such positions is \$285,000.
- **Evidence and property clerk staffing at the inmate reception center**—At least 90 percent of the annual cost for 30 additional civilian clerks would run about \$790,000.

Our consultant estimates that the gross total cost of the no-inmate worker policy at Twin Towers is approximately \$4.9 million. Of course, if the LASD were to rethink this policy and decide to use inmate workers at Twin Towers, certain costs would offset some of the LASD's savings. If it used inmate workers at Twin Towers, the LASD would incur increased security costs of at least \$700,000 to \$1.7 million. Nonetheless, according to our consultant's estimates, if the LASD assigned inmates to appropriate positions at Twin Towers, the LASD could save from \$3.2 million to \$4.2 million annually. Moreover, in its revised plan to open Twin Towers, the LASD does intend for inmate workers to perform some of the duties noted above.

The LASD Did Not Evaluate Critically Its Original Staffing Plans for Twin Towers

Our consultant also reviewed how the LASD developed the original budget for Twin Towers and found little evidence that the LASD performed a systematic, critical assessment of the staffing plans for specific units to ensure that these plans included only those positions necessary to operate Twin Towers. As a result, the original budget presented questionable or no justification for many new personnel. Our consultant believes that a thorough, objective analysis of staffing requirements could have reduced the original budget proposal by approximately \$9.6 million to \$10.1 million without affecting materially the LASD's plans for operating the facility.

The following paragraphs describe specific examples of ways in which the LASD could have reduced staffing requests listed in the original budget plan:

- **Food services staffing**—The revised budget for Twin Towers includes only 54 new county positions, a decrease of 74 positions from the number included in the original budget. This decrease results in a total budget savings of about \$2 million. In our consultant's opinion, the LASD could have made most, if not all, of this reduction before it submitted the original budget to the county board of supervisors.
- **Records clerks and supervisors for the inmate reception center**—In the original budget, the LASD requested an increase of 93 clerks and supervisors, or about 50 percent more positions than the 183 positions the LASD has funded in the present inmate reception center. Being very conservative, our consultant estimates that the LASD could have deleted at least half of the requested increase, which would cost about \$1.6 million, without creating a negative impact on this job function.
- **Data systems staffing for the inmate reception center**—In its original budget, the LASD included, at a total cost of \$303,000, five new positions related to data systems. However, the LASD eliminated these positions in the revised budget, and our consultant believes that the LASD could have done so in the original budget.
- **Staffing at the medical services building**—In calculating nurse staffing for two floors of its correctional treatment center (CTC), the LASD used higher staffing levels than the State requires for CTC licensure. As a result, the original budget included 20 more nursing positions than CTC licensing requires, at an annual cost of more than \$900,000. Also, the LASD requested 76 positions for the medical service building's fourth floor, which was planned as a 50-bed acute mental health ward. However, the county's Mental Health Department was to provide staffing and funding for the 28 mental health positions that CTC licensure requires. Thus, the LASD would only need to provide some of the 76 positions it had originally intended to staff the mental health ward. Our consultant estimates that the LASD could have reduced the medical staffing portion of the original budget request by an additional \$1.5 million to \$2 million annually.

- **Custody staffing**—In the revised budget, the LASD lowered the operating costs related to Tower One by \$3.3 million without changing Tower One’s intended use. Some of this cost reduction results from the LASD’s reducing the number of new positions at Tower One, and the balance is due to the LASD’s plan to expand its use of custody assistants in place of higher-salaried deputies. Our consultant concluded that the LASD could have made these changes in its original budget for Twin Towers.



COUNTY OF LOS ANGELES CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION/LOS ANGELES, CALIFORNIA 90012
(213) 974-1101

David E. Janssen
Chief Administrative Officer

November 13, 1996

Kurt R. Sjoberg, State Auditor
Bureau of State Audits
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Sjoberg:

RESPONSE TO DRAFT SECOND YEAR AUDIT REPORT

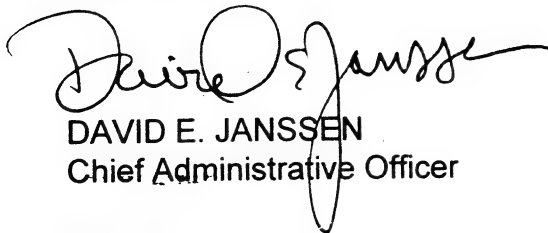
Thank you for the opportunity to comment on the draft version of the second audit that you have conducted of the County of Los Angeles, pursuant to Chapter 518, Statutes of 1995. In this second of five audits, your staff focused on efforts the County undertook to balance both the 1995-96 and 1996-97 budgets. In addition, you also reviewed various operations of the Sheriff's Department to determine if savings could be achieved through additional civilianization, closure of the bakery, reevaluation of the Twin Towers budget, and other measures.

In general, we agree with your countywide budget recommendations. In particular, on October 29, 1996, the Board of Supervisors approved the allocation of the remaining \$15 million in cost reductions. Regarding welfare reform, on November 5, 1996, the Board unanimously approved State legislative welfare reform policies and instructed affected departments to work with relevant public and private groups to pursue these policies.


With regard to your recommendations concerning the Sheriff's Department, we understand that the Sheriff plans to comment on these recommendations under separate cover.

Thank you once again for the opportunity to comment on the draft audit report.

Sincerely,



DAVID E. JANSSEN
Chief Administrative Officer



ALAN SASAKI
Auditor-Controller

DEJ:AS

mmg23

c: Each Supervisor
Sheriff

ST_AUDIT



SHERMAN BLOCK, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169



November 15, 1996

Mr. Kurt R. Sjoberg
State Auditor
660 J Street, Suite 300
Sacramento, California 95814

Attention: John R. Baier, CPA, Supervising Auditor

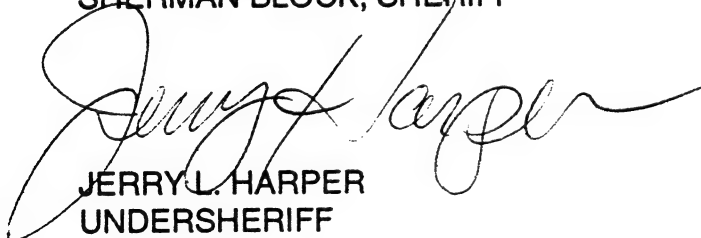
Dear Mr. Sjoberg:

The attached document is the response by the Los Angeles County Sheriff's Department to the Bureau of State Audits' report, dated November 6, 1996. Thank you for providing the Sheriff's Department the opportunity to review this report.

Should you have any questions relating to this response, your staff may contact Director Fred Ramirez, Office of Administrative Services, at (213) 526-5078.

Sincerely,

SHERMAN BLOCK, SHERIFF



JERRY L. HARPER
UNDERSHERIFF

A Response To

**CALIFORNIA STATE AUDITOR
BUREAU OF STATE AUDITS**

**"Los Angeles County: Budget Challenges Continue,
and the Sheriff's Department Could Achieve Savings"
November 1996**

By

The Los Angeles County Sheriff's Department

November 1996

■ 1. AUDIT REPORT (Section S-2, last paragraph):

The LASD uses sworn officers to perform custody duties in the county's seven jails. However, a growing number of sheriff's departments in other California counties have begun to use lower-salaried civilian corrections officers to perform these duties. Although there are both advantages and disadvantages to using civilian corrections officers, a reduction in staffing costs is a major benefit. According to our consultant's review, the LASD's potential savings in staff costs could range from \$25.4 million to \$33.6 million annually. Our review did not delve into the other advantages and disadvantages that are specific to Los Angeles County. However, given the magnitude of the potential savings and the county's fiscal condition, the possibility of replacing the sworn officers with civilian corrections officers warrants detailed study by the LASD.

RESPONSE:

This recommendation does not state that such savings are based on Custodial Officers as defined in 831.5 P.C. and proposes utilization of Custodial Officers instead of Supervising Line Deputies, Sergeants, Lieutenants and Captains. Consequently, our current Custody Assistant classification would have to be abandoned and a new classification established.

This recommendation suggests that based on the potential savings and the County's fiscal condition, the possibility of replacing sworn Deputy Sheriff's with civilian Corrections Officers warrants a detailed study by the Sheriff's Department. We agree, and the staffing ratios of civilian Custody Assistants to sworn staff was dramatically increased in all staffing models in the Twin Towers Project Implementation. We intend to monitor this staffing level to determine its effectiveness and to ascertain if additional Custody Assistants can be added while maintaining the same levels of effectiveness. The level of cost reductions of these efforts are quite visible in the staffing plans submitted to and approved by the Chief Administrative Officer and the Board of Supervisors. To proceed to completely change over the largest County jail system in the United States on a wholesale basis would not only endanger Department staff, the public and inmates, but it would be a sure prescription for failure of the concept.

We are proceeding with expanded use of civilian Custody Assistants in a deliberately analytical manner. In fact, we are conducting the expansion of Custody Assistants only after evaluating their use during the past several years. For example, last year we applied for federal funds to expand the use of Custody Assistants instead of deputy sheriffs in our station jails. In short, we have been on the track that the auditors suggest.

■ 2. AUDIT REPORT (Section S-5, paragraph 1):

Within a reasonable time period, replace with civilian employees all of the 141 sworn officer positions we identified as having administrative rather than law enforcement duties.

RESPONSE:

Although we have disagreed on 24 of the 141 positions, Personnel Administration will

*The California State Auditor's comments on this response start on page 99.

begin the classification study process of all of the classifications and positions identified in the State Audit in the immediate future. Our projected time of completion of this analysis is approximately one year from the day the process begins.

■ **3. AUDIT REPORT (Section S-5, paragraph 2):**

Perform a review to identify if additional sworn officer positions could be converted to civilian positions. Then, within a reasonable time period, the LASD should replace with civilian employees all of the sworn officers in these identified positions.

RESPONSE:

We agree. Personnel Administration has an ongoing process to evaluate positions within the Department. Currently there are several ongoing classification studies that may result in conversion from sworn to civilian positions. Two examples are the Court Services Civil Process positions, and the Station Law Enforcement Technician positions. Personnel Administration will continue to work with Divisions to evaluate positions that may ultimately be converted to civilian positions.

■ **4. AUDIT REPORT (Section S-5, paragraph 3):**

Correct deficiencies in its automated personnel information management system to improve information available on the duties that it assigns to LASD employees.

RESPONSE:

We agree. Personnel Administration has taken immediate action to correct the information available in its automated system. Staff has begun the review process of its system, and plans to meet with each Division to review, revise, and correct the information currently in the system. The anticipated completion of this project is approximately four to six months.

■ **5. AUDIT REPORT (Section S-5, paragraphs 4-6):**

To determine the feasibility of converting its jail custody staff from deputies to corrections officers, the LASD should take the steps listed below:

- Perform a thorough analysis of annual cost savings and the effect of such a conversion on employee morale and turnover, recruitment of females and minorities, inmate complaints, and training needs. Also, this study should analyze the disadvantages of the conversion, such as having fewer sworn officers available in a major crisis.
- Present the study, along with recommendations, to the county board of supervisors for its review.

RESPONSE:

We agree in concept and, as stated previously, we believe we are proceeding at an appropriate pace in our evaluation and implementation of using Custody Assistants in our

custody operations (see response to #1). In addition, the consultant recommends a thorough analysis of a complete conversion and its effect on morale, turnover, recruitment of women and minorities, complaints against personnel by inmates and training needs. Most of these areas are open to speculation, unless they are measured after the fact, and over an appropriate length of time. Based on our current Twin Towers Implementation Plan, we will be able to assess any differences associated with the staffing pattern established for the project. We intend to complete a study on our current efforts before making any wide sweeping changes.

■ **6. AUDIT REPORT (Section S-5, paragraph 7):**

To reduce its costs to feed inmates in the county's jails, the LASD should close its bakery and purchase baked goods from commercial sources and consider other opportunities for contracting out services.

RESPONSE:

We are currently evaluating the operational consequences of this proposal.

■ **7. AUDIT REPORT (Section S-5, paragraphs 8-9):**

To improve the planning and budgeting process within the LASD and to address the corrections problems within the county, the LASD should take the following steps:

- Reevaluate the revised budget for Twin Towers to make additional reductions in the annual operating costs. In particular, the LASD should closely review whether it can reduce costs by using inmate workers and whether it will need all the positions transferred from the Sybil Brand jail. In addition, the LASD should reduce its budgets for services and supplies, and overtime to more reasonable levels.

RESPONSE:

Use of inmate workers at Twin Towers in the locations suggested would substantially increase the need for security staff, increase security problems, increase the introduction of contraband into the inmate housing areas, and increase the potential for escape opportunities. The reduction of these costs are not worth the identified consequences.

3

In addition, the Twin Towers Facility housing areas were designed for male inmates. The inmates being transferred from Sybil Brand Institute jail are all females. The relocation of both the inmates and staff are temporary. Operating a female inmate jail is different from a male inmate jail in many ways. Consequently, until such time as we have completed the move and obtained some experience with female inmates in the Twin Towers Facility, we do not intend to make any further modifications beyond those changes we made in our staffing recommendations approved by the CAO and the Board of Supervisors.

The last area of this paragraph is focused on re-evaluating and revising the Twin Towers budget regarding services and supplies and overtime to more reasonable levels. We have

engaged in the suggested activities in formulating these figures. We believe them to be budgeted appropriately, particularly when you consider that we are opening a new facility unlike any we have previously operated and with a staffing level unlike that with which we have previously had experience. The consequence of insufficient funds would be not only a problem for Twin Towers, but for the Sheriff's Department and the County as a whole.

4

Additionally, it should be noted that the majority of the warranties on the facility have expired due to the County's inability to open Twin Towers as originally planned. Consequently, any repairs that would have been covered by warranties must now be funded from our budget.

■ **8. AUDIT REPORT (Section S-6, paragraph 1):**

- Continue its efforts to obtain the revenue needed to make its revised plan and budget successful. Specifically, the LASD should continue to pursue contracts with the state and federal governments for jail beds. In addition, the LASD should determine funding sources for the renovation of the Sybil Brand jail and other capital improvements.

RESPONSE:

We agree.

■ **9. AUDIT REPORT (Section S-6, paragraph 2):**

- Carefully scrutinize future budget requests, such as the upcoming request for reopening the Sybil Brand jail, to ensure that the requests represent the most cost-effective plans. Also, in its future budget requests, the LASD should consider submitting different options for service levels to allow the county choices in how it implement the requests.

RESPONSE:

Based upon the Auditor's verbal statement to us that this paragraph relates only to reopening of custody facilities and/or opening of newly constructed facilities, we agree. We have always submitted varying staffing options to the CAO and Board of Supervisors in such instances and have thoroughly discussed staffing and operational cost recommendations as well as provided options as the circumstances dictated or as requested by the Board of Supervisors or the CAO.

As for the level of services, the Sheriff will always retain his discretion in this area. The Sheriff will not establish a level of service that creates dangerous conditions for staff, inmates or the community.

■ **10. AUDIT REPORT (Section 3-1, Chapter Summary):**

While most California sheriffs have traditionally used sworn officers, or sheriff's deputies, to staff jails, a growing number of sheriffs are trying to reduce staffing costs by using civilian

corrections officers instead. In addition to the cost savings, replacing sworn officers with civilian corrections officers may have several other advantages to sheriffs and their counties, including increases in the recruitment of females and minorities as well as a decrease in complaints by inmates against personnel. Conversely, sheriffs' use of civilian corrections officers to staff jails may have several disadvantages, including having fewer sworn officers to maintain order in a major crisis.

The Los Angeles County Sheriff's Department (LASD) currently employs sworn officers, deputies, to perform most of the custody functions in the county's jails. Based on a preliminary review, our consultant concludes that the LASD may be able to save between \$25.4 million to \$33.6 million annually in staffing costs if it replaced all of its deputies with civilian corrections officers. However, to determine the realizable savings and if the advantages of this approach outweigh the disadvantages for Los Angeles County, the LASD should perform a more detailed study on the possible effects of converting the staff in its jails from sworn officers to civilian corrections officers. The need for this review is especially critical in light of the county's continuing fiscal constraints noted in Chapter 1 of this report.

RESPONSE:

None of the information in paragraph one are hard facts as they relate to Los Angeles County. They are supposition by the Auditor's consultant based upon civilianization efforts in small counties with a single jail facility. When Los Angeles County's jail system is compared to the only other jail system in the country of a commensurate size, New York City, the Sheriff's Department's custody operations model provides all of the benefits, asserted by the consultant in his comparisons of Los Angeles County to Santa Clara and other counties, when compared to New York. For example, New York has over 10,000 employees for 20,000 inmates at a cost double that of the Los Angeles County Sheriff's Department's operation. (2) (5)

■ 11. AUDIT REPORT (Section 3-2, paragraph 2):

Over the past 25 years, California counties have employed several different approaches to reduce the high cost of staffing local correctional facilities. The approach California counties have most frequently implemented involves using civilianized (non-sworn), lower-salaried corrections employees to supplement and support the sworn officers who perform inmate custody and security functions. Counties usually refer to these civilian employees as sheriff's technicians or custody assistants. The LASD currently uses a limited number of custody assistants in the jails. Other civilian employees perform duties not related directly to inmate control and security, including medical, food, and clerical services. However, state law requires at least one sworn officer on duty in a jail for every 20 civilian corrections officers.

RESPONSE:

See response to #1.

■ 12. AUDIT REPORT (Section 3-3, paragraph 1):

The LASD currently uses the limited assistance approach, and custody assistants perform jobs under the supervision of a sworn officer. For example, LASD custody assistants primarily operate control booths, observe low-security inmates, and help process incoming and outgoing inmates. However, the LASD position description for custody assistants is silent on their role in physically restraining unruly inmates; the LASD does not require custody assistants to perform this duty, nor does it restrict them from this activity. While this limited assignment of civilian personnel prevents any "equal-pay-for-equal-work" arguments, it does not maximize potential cost savings that might otherwise be feasible. The LASD could achieve more savings if it used civilian positions more extensively. Presently, custody assistants comprise less than 10 percent of the total custody staff of the LASD jails.

RESPONSE:

See response to #1.

■ 13. AUDIT REPORT (Section 3-3, paragraph 3):

To reduce operating costs further, some counties in California and other states developed a third approach for supporting custody functions with civilian personnel. This approach differs from the two approaches discussed above in that the counties have replaced with lower-salaried corrections officers most of the sworn officers who have jail-related duties, including prisoner transportation. Specifically, in Los Angeles County, this civilian corrections officers position would be different than the LASD's current custody assistant classification. Instead, this position would mirror the custodial officer position described in the California Penal Code, Sections 831 and 831.5. These sections define the custodial officer as a public officer, not a peace officer, employed by a city or county law enforcement agency, who has the responsibility for the custody of prisoners in a local detention facility.

In some counties, a corrections department, separate from the sheriff's department, provides the jail services. For example, Santa Clara, Napa, and Madera have separate corrections departments employing lower-cost corrections officers to staff local jails and in at least one instance, transport prisoners. However, recent changes in California laws require that, beginning in 1993, the jail function remain under the control of the county sheriff. Thus, Los Angeles County cannot establish a corrections department separate from the LASD.

Nevertheless, it is possible for counties to replace with civilian corrections officers the sworn officers who currently staff the jails while retaining the total custody operation within the organization of the sheriff's department. Santa Barbara and Fresno counties have used civilian corrections officers for years, and Placer County is currently implementing this approach.

RESPONSE:

See response to #10.

■ **14. AUDIT REPORT (Section 3-3, paragraph 4):**

For the LASD, the fiscal savings from this approach should at least equal the savings that would derive from a separate corrections department, and the savings may actually be greater in that a change in staffing does not require a new, separate administrative structure. The single organizational structure would also be advantageous operationally because jail and law enforcement services would be under one command. Finally, combining the jail and law enforcement functions alleviates coordination problems that can occur when two independent agencies are involved with prisoner movement and control.

RESPONSE:

The consultant makes wide sweeping statements but did not provide the details of his proposed structure. Consequently, we can only speculate about the efficacy of his assertions.

6

■ **15. AUDIT REPORT (Section 3-4, paragraph 2 & 3-5, paragraph 1):**

To obtain more information on the potential advantages and disadvantages of operating a fully civilianized county jail, we completed a telephone survey of seven California counties, three with a separate corrections department and four in which the sheriff runs, or will run (as in Placer County), a fully civilianized jail operation. Our consultant requested these counties supply the annual salaries for their top-step deputy sheriff and top-step corrections officer positions. As Table 6 shows, significant differences exist between the salaries of sworn officers and those of corrections officers.

The seven counties pay corrections officers between 10.9 to 17.8 percent less than sworn officers. However, some counties have not experienced savings in fringe benefit percentage because the counties have agreed to provide retirement packages to corrections officers similar to those the counties provide peace officers. The counties stated that they made this compensation provision primarily to assist in recruiting and retaining better quality employees. The actual cost of the benefits for corrections officer will be lower than for sworn officers if the counties continue to base benefit amounts on salaries and use the same percentage rates for both civilians and sworn officers. For example, in Santa Barbara County, the salaries for corrections officers are 10.9 percent lower than salaries for deputy sheriffs, but both positions have the same benefit rate. The actual cost of the benefits, however, will be 10.9 percent less because of the difference in salaries. Thus, in Santa Barbara County, total compensation for corrections officers, including salaries and benefits, will also be 10.9 percent less than for comparable deputies.

RESPONSE:

See response to #1. In addition, if we are to alter our Custody Assistants in the proposed capacity one of the significant disadvantages is that they are not precluded by law from

7

striking as are Deputy Sheriff's.

■ 16. AUDIT REPORT (Section 3-5, paragraph 2):

The counties our consultant contacted noted that both advantages and disadvantages exist in operating county jails with a completely civilian staff. A major advantage is that the salaries paid to civilian corrections officers are significantly less than salaries paid to sworn officers. Other advantages include a lower turnover rate among staff, a rise in morale, an increase in the recruitment of minority and female employees, and fewer personnel complaints. On the other hand, counties' use of civilian corrections officers has its disadvantages, such as having fewer sworn officers available in a major crisis and limited flexibility in assigning personnel.

RESPONSE:

Without knowing the exact source of these comments, we can only agree that "someone" in "these counties" came to the indicated solutions. We do not believe these exact advantages or disadvantages are specifically applicable to Los Angeles County in that we do not know what the previous conditions were in these counties, and how they compare to existing conditions here in the Los Angeles County Sheriff's Department.

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■ 17. AUDIT REPORT (Section 3-5, paragraph 3 & 3-6, paragraphs 1-3):

In pointing to the disadvantages of employing civilians to staff jails, our consultant noted that some proponents of retaining sworn officers at county jails believe that the first step in the career of a sworn officer should be an assignment in inmate custody. Moreover, these proponents state that the time spent performing jail duties produces a better quality law enforcement officer than one who does not begin his or her career performing jail duties. Further, these proponents state that a sworn officer that begins his or her career working in the jails is accustomed to dealing with criminals and knows their characteristics. The LASD has stated that these benefits are a significant advantage of the LASD's current practice of using deputies in the Los Angeles County jails.

Although other sheriff's departments have made this same assertion, we have found no objective evidence to support the idea that time working in the jails produces more qualified sworn officers. Currently, thousands of city police officers perform law enforcement functions with the quality equivalent to sheriff's deputies even though most city police officers receive only brief orientation of the functions of a jail. In fact, comparing two sworn officers of equal ability, the sworn officer who has spent ten years performing law enforcement work should possess at least equal, if not greater, law enforcement experience than a sworn officer who has spent five years in jail duty and five years in patrol.

The belief that jail duty is an important element in the development of good law enforcement personnel has even less validity for those newly promoted sergeants and lieutenants who return to jail assignments. The sworn officers who fill these positions usually possess experience as deputy sheriffs. Therefore, return assignments to the

county jail do not appear especially beneficial to the officers' long-term law enforcement career. Thus, our consultant does not agree that jail service for sworn officers necessarily results in better law enforcement officers.

RESPONSE:

We disagree with the conclusions of the consultant in these areas.

■ 18. AUDIT REPORT (Section 3-6, paragraph 4 & 3-7, paragraph 1):

A disadvantage of replacing sworn officers with civilian corrections officers at county jails is that the civilians cannot provide backup law enforcement when major civil disorders or natural disasters occur. In a major crisis, a sheriff's department usually needs to deploy large numbers of sworn officers in the field. To increase the number of available deputies during such times, a sheriff's department could cancel sworn officers' days off and place deputies on 12-hour shifts in the jails. These schedule modifications allow a sheriff's department to reassign temporarily a number of the jail deputies to field duty.

Some counties that employ civilians as jail staff partially mitigate their lack of a pool of additional sworn officers by using civilian corrections officers to perform limited duties in the field. For example, some counties, including Santa Barbara County, use corrections officers for field booking and prisoner transportation services when a major crisis occurs. Furthermore, Fresno County uses corrections officers for some prisoner transportation services, while Santa Clara County uses them for all prisoner transportation. The extent to which Los Angeles County might require a pool of backup sworn officers needs to be evaluated.

RESPONSE:

This seems to propose that not only should we civilianize all the staff in our custody operations, but we also look to using these same personnel in the field and for prisoner transportation in a major crisis. Clearly, in a major crisis all agencies utilize all personnel available to them, but to plan in advance to use personnel inconsistent with their classification, training and/or licensure appears to be ill conceived. However, evaluation of such use seems to merit an assessment of how to expand the role of non-sworn personnel during a major crisis.

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■ 19. AUDIT REPORT (Section 3-7, paragraph 2):

While counties can use a deputy sheriff to perform many different jobs in a sheriff's department, they cannot use civilian staff in the same ways. A deputy sheriff can take on duties in jail security, prisoner transportation, field patrol, court security, and criminal investigations. Generally, a corrections officer can only perform jobs in jail security and prisoner transportation. Thus, limited flexibility in its assignments for jail staff may be a disadvantage for some sheriff's departments that are considering converting to the use of corrections officers.

RESPONSE:

We agree.

■ 20. AUDIT REPORT (Section 3-7, paragraph 3):

We agree that a major advantage of using civilian corrections officers rather than sworn law enforcement officers to staff county jails is that total compensation to custody personnel will be less, assuming the number of budgeted positions remains relatively constant. Based on the survey of other counties, our consultant believes that total compensation for corrections officers could range between 15 to 20 percent less than total compensation for sworn officers.

RESPONSE:

No comment.

■ 21. AUDIT REPORT (Section 3-7, paragraph 4 & 3-8, paragraphs 1-2):

However, LASD staff informed our consultant that Santa Clara County may have experienced the need for a major increase in the number of corrections personnel after it changed from sworn officer to civilian staffing at its jails. Our consultant pursued this issue with a Santa Clara County official, who stated that there were no staff increases related solely to the use of civilian corrections officers, except for those increases required to establish the administrative structure for a new, separate corrections department.

Moreover, since Santa Clara County began using corrections officers in late 1987, the board of supervisors of Santa Clara County has required annual reports on the actual cost savings. As of June 1996, the county estimated it has realized cumulative savings of \$47.8 million, net of \$3 million in initial start-up costs. Because the county could not hire new corrections officers until deputy sheriff vacancies occurred, its savings were relatively small in the early years of the transition. However, for the first 11 months of Fiscal Year 1995-96, the county reports savings of \$6.8 million, even though it has not completely replaced all sworn supervisory positions. As shown in Table 6 on page 3-4, Santa Clara County currently has 1,208 custody staff.

Except for adding certain administrative positions when it established a new corrections department, none of these counties noted an increase in jail staff. Further, none of the counties could identify a reason why it would require greater numbers of corrections officers to perform the same workload as the deputies who once held the custody positions.

RESPONSE:

It is interesting to note that if Santa Clara County retained essentially the same staff to inmate ratio (1:4), then their Deputy Sheriff staffing in their jail was double the Los Angeles County Sheriff's Department ratio (1:8). Apparently, we are doing the same job with Deputy Sheriff's now that they are doing with their civilianized operation. Therefore, it would appear that if we adopted the Santa Clara model and civilianized our operations it would

be the same as today's operation with Deputy Sheriff's. We know that conclusions such as these, based on a few pieces of information, are often not valid. Consequently, both the consultant's conclusion and our preceding statement could prove false if a detailed analytical study were conducted.

■ **22. AUDIT REPORT (Section 3-8, paragraphs 3-5 & 3-9, paragraphs 1-2):**

Most of the counties we contacted reported that multiple benefits have resulted from their replacing sworn officers with civilian corrections officers at county jails. Some of those benefits include lower rates of employee turnover, higher employee morale, an increase in the recruitment of minorities and women, and a decrease in complaints against personnel.

Some of the counties stated that one advantage of employing civilians at jails is increased employee stability and job satisfaction. Counties stated that they hire civilian employees pursuing careers in corrections. Therefore, corrections officers do not view an extended assignment in the jails as a necessary inconvenience to earning a law enforcement assignment. Sworn officers, on the other hand, are motivated by the prospects of performing law enforcement services, and many do not view lengthy jail assignments with favor.

Although rotation to law enforcement service is not an element of the corrections officer concept, there is nothing inherent in the classification to prevent incumbents from taking the tests for deputy sheriff and moving to that position if they so desire.

Both Santa Barbara and Fresno counties also reported that replacing sworn officers with civilian corrections officers has substantially improved their minority and female recruitment and retention because the civilian positions have less stringent job requirements. These counties stated that about 40 percent of their corrections officers are women. The counties view the improved minority and female recruitment as a distinct benefit to their affirmative action efforts.

Interestingly, two counties noted that the use of civilian corrections officers has resulted in fewer complaints by inmates against jail custody personnel than occurred when deputy sheriffs had custody duties. One county noted a marked decline in these complaints over the first few years of the changeover from deputies to corrections officers. Further, this county stated that as much as a year has passed without receiving an inmate complaint about the staff's use of unnecessary force. Both counties attribute the reduced number of complaints to the employees' increased job stability and satisfaction.

RESPONSE:

This is interesting information. See response to #5. We will continue to monitor our current efforts associated with the Twin Towers Implementation Project and expand the utilization of Custody Assistants or other appropriate civilian classifications.

■ **23. AUDIT REPORT (Section 3-11, paragraphs 1-3):**

Current events dictate that the LASD study its jail staffing in the immediate future. On October 10, 1996, the board of supervisors approved an LASD plan for opening Twin Towers and expanding and reopening other jails. Under this plan, the LASD would add a significant number of jail employees, including more than 150 sworn officers and 100 custody assistants. The sooner that the LASD completes this study, assuming that the county finds this approach feasible, the sooner the LASD could use this new civilian corrections officer classification in the future jail expansion.

In staffing Twin Towers, the LASD has made some progress in using more civilians in custody positions. The LASD currently plans to staff Twin Towers with 872 custody personnel, at which 262 positions or 30 percent of the total staffing will be civilian custody assistants and the remainder sworn officers. Since custody assistants make up less than 10 percent of the custody staffing the county's other jails, the LASD will be using custody assistants more extensively at Twin Towers. However, these efforts are only an initial step of the full study that we recommend that the LASD perform.

Presumably, the staffing plan would include, in addition to the basic entry-level positions, supervisory and management positions within the corrections classifications. So that no current sworn officer loses his or her job, the LASD would need to phase in this conversion over time, perhaps on a facility-by-facility basis.

RESPONSE:

It is important to note that this notion as stated means civilianization of all Lieutenants, Sergeants, Bonus I and Deputy Sheriff Generalists. The average sworn attrition in the Department is approximately 360 per year. If the entirety of this turnover were absorbed in our custody operations, which is not practical, it would take nearly 7 years to completely implement their proposed civilianized jail operations. Moreover, the conclusions regarding the impact on Deputy Sheriff Generalist, Bonus I, Sergeant and Lieutenants do not appear to be correct. Our figures reflect that we have: added 47 Lieutenant, Sergeant and Bonus I positions, reduced 52 Generalist positions, and added 338 Custody Assistant positions.

9

■ **24. AUDIT REPORT (Section 3-12, Recommendations):**

To determine the feasibility of replacing the sworn officers who serve as jail custody staff with civilian corrections officers, the LASD should implement the following recommendations:

- Perform a thorough analysis of the annual cost savings that would result from a staffing conversion, as well as the other advantages and disadvantages of a conversion, such as Los Angeles County's having fewer sworn officers available in a major crisis.

- Present the study, along with recommendations, to the board of supervisors for its review.

RESPONSE:

While we are willing to undertake an analysis of cost savings for total civilianization of the custody operations, such an instant conclusion to convert in the suggested manner without a thorough comprehensive evaluation of effects not mentioned in this report, such as staff safety, inmate safety and potential risks to the communities adjacent to our jail facilities, would be totally without merit. We believe that we are, in the Twin Towers Implementation Plan, moving in an appropriate direction to reduce costs in our custody operations and are proceeding at an appropriate pace for deliberate and well conceived civilianization efforts.

In addition, the consultant recommends a thorough analysis of a complete conversion and its effect on morale, turnover, recruitment of women and minorities, complaints against personnel by inmates and training needs. Most of these areas are open to speculation, unless they are measured after the fact, and over an appropriate length of time. Based on our current Twin Towers Implementation Plan, we will be able to assess any differences associated with the staffing pattern established for the project. We intend to complete a study on our current efforts before making any wide sweeping changes.

2

It is interesting to note that over the years, time and again in many different areas of the Department, we continually discover that solutions to problems, procedures or policies of smaller agencies or organizations are not sufficiently comprehensive for a Department as diverse as the Los Angeles Sheriff's Department. We often find that we have to implement the intent of these matters, refashioned to meet our Department's specific needs.

■ 25. AUDIT REPORT (Section 4-1, paragraph 2):

In early 1996, the LASD proposed a \$149.3 million budget, including \$100.4 million in new funding, to operate Twin Towers. Because of the county's budgetary pressures, the LASD and other county representatives developed a revised plan and budget to open Twin Towers that significantly reduced the funding amounts requested in the original budget proposal.

RESPONSE:

The Sheriff's Department actually proposed three budgets in 1996. The first was the original \$100 million net County cost budget that had been developed during the preceding year. In as much as the County had indicated it could not fund such a large increase in net County cost an alternative budget was proposed. The second budget contemplated opening only Tower I at an annual cost of \$36.2 million dollars. The third budget was an outgrowth of a County wide study group effort. This third budget is referred to as the Twin Towers Implementation Plan.

10

It is important to note that the budget submitted and approved by the CAO, Board of

Supervisors and the state Board of Corrections in 1991 was \$126.3 million.

■ 26. AUDIT REPORT (Section 4-7, paragraphs 5-6 & 4-8, paragraphs 1-2):

An essential element in the LASD's revised budget is the production of over \$37.1 million in annual revenue by the LASD's contracting 1,992 jail beds to the state and federal governments. The LASD is currently negotiating with the state and federal agencies to house their prisoners in county jails, with the LASD providing the security. Under the revised budget, generating this revenue is critical to the LASD holding the net county costs to approximately \$16.2 million annually.

Our consultant reviewed the LASD's revenue assumptions and found that some risk exists regarding the county's ability to generate the planned revenue. For instance, the revised budget projects revenue based on 100 percent occupancy of the contract beds rather than on a percentage based on actual occupancy. In addition, it assumes the county will collect the maximum allowable rate per inmate day. According to the LASD, it is attempting to obtain guaranteed payment for a specified percentage of beds per year and not for the actual number of inmates it places in the jails. However, the written expressions of interest received in October 1996 from the federal government express interest on a "space available, reimbursement when used" basis and from the state government for a rate structure different from the daily jail rate structure used in the LASD's calculation. No actual contracts between the LASD and these entities exist at this time. The LASD recognizes these risks and is actively pursuing contracts for more jail beds with the state and federal governments. Also, the LASD made an error in calculating the potential revenue from contracting out jail beds in Fiscal Year 1996-97. As a result, the LASD overstated its potential revenue for Fiscal Year 1997-98 by approximately \$624,000.

In addition to obtaining contract revenue, the county intends to fund the remainder of the costs associated with the revised budget primarily with an increase in the amount of revenues it currently receives from public safety sales taxes along with other minor funding sources. However, the county is estimating this funding based upon a forecasted increase in the current level of such revenue, and the actual amount the county receives may differ from the amount the county has budgeted. Moreover, the county has not determined funding sources for most of the capital improvements included in the plan or for the operating costs of the Sybil Brand jail when it reopens.

RESPONSE:

The Sheriff's Department continues to meet with representatives from INS and CDC to finalize contracts with their respective agencies. Based upon all of those discussions and the progress being made on related components of the entire plan, we are very optimistic we will achieve our objectives.

■ **27. AUDIT REPORT (Section 4-8, paragraph 3):**

- Inmate worker policy - According to the revised budget, the LASD will continue to use civilian workers, instead of inmates, for certain duties in Tower One, the inmate reception center, and the medical services building. By employing inmates instead to perform the work of property clerk, custodians, laundry workers, and warehouse workers, our consultant estimates that the LASD could save up to approximately \$1 million to \$1.5 million annually, net of security costs. However, the LASD needs to analyze thoroughly how it intends to use inmate workers in Twin Towers to determine the extent of any cost savings that it could achieve.

RESPONSE:

We explained to the consultant that many other factors such as security risks, smuggling of contraband and narcotics, escape risks and general operational problems and equipment maintenance and replacement costs related to the use of inmate workers needed to be considered. When all of these factors are taken into consideration, we believe that our current plan, approved by the CAO and Board of Supervisors, is the best manner in which to proceed. See response to #7.

3

■ **28. AUDIT REPORT (Section 4-9, paragraphs 1 & 5):**

- **Increases to the original budget** - By closing the Sybil Brand jail and transferring its staff to Twin Towers, as planned in the revised budget, the LASD will make staffing at Twin Towers for some classifications more generous than the staffing called for in the original budget. If the LASD were to staff these classifications as it proposed in the original budget, our consultant found that it could reduce Twin Towers' operating costs by an additional \$1 million. Below are examples of the staff classifications involved and the costs increases included in the revised budget:
 - Two captains instead of the one captain listed in the original budget (\$114,000);
 - Fourteen lieutenants instead of nine (\$515,000);
 - Seven automated timekeeping system operators instead of four (\$103,000); and,
 - Nine evidence and property clerks for Tower Two instead of none (\$287,000).
- According to the LASD, the primary reason for this overstaffing is the desire to retain the transferred positions from Sybil Brand jail so that the employees can all return as a group to that facility after its renovation. While we understand the LASD's concern for its employees, we learned that renovation of the Sybil Brand jail is expected to take over two years. In the interim, some or all of the above extra positions could be left vacant as a way for the county to reduce costs.

RESPONSE:

See response to #7.

■ **29. AUDIT REPORT (Section 4-9, last paragraph):**

- **Overstatement of needs for services and supplies** - Although most of the non-staff costs for Twin Towers are reasonable, the LASD appears to have overstated its needs for services and supplies, which include among others, inmate clothing, pest control, and cleaning supplies. Services and supplies, net of utilities, at the county's other seven jails ranged from \$221 per inmate annual at Men's Central Jail to \$490 per inmate annual at Pitchess Detention Center South. Based on a comparison of the \$795 per inmate budgeted amount for Twin Towers to the next highest cost incurred at Pitchess Detention Center South during Fiscal Year 1995-96, we estimate that the LASD could reduce its budgeted services and supplies for Twin Towers by \$1 million.

RESPONSE:

See response to #7.

■ **30. AUDIT REPORT (Section 4-10, paragraph 1):**

- **Overstatement of need for overtime** - Similarly, in comparing the overtime costs budgeted for Twin Towers to the Fiscal Year 1995-96 overtime expenses incurred at the Men's Central Jail and the average overtime expenses of the seven operating jails, we estimate that the LASD could reduce the overtime budgeted for Twin Towers by \$400,000 to \$1.4 million. Overtime is necessary for filling staffing vacancies and covering employee shifts when employees are absent from work.

RESPONSE:

See response to #7.

■ **31. AUDIT REPORT (Section 4-10, paragraph 5 & 4-11, paragraph 1):**

The requirements for a licensed correctional treatment center (CTC) are set forth in Title 22 of the California Code of Regulations. The CTC is an acute medical care and psychiatric services hospital for inmates. The county currently does not have a licensed CTC in the jail system. However, in a 1992 order issued by the U. S. District Court under *Rutherford v. Block*, the court directed the county to work towards establishing such a facility. That order states in part that "the Sheriff shall work towards obtaining state licensure of all jail health care facilities and providing constitutionally adequate health care to all inmates in his custody....." The negotiations between the county and the plaintiffs in this case have centered on the establishment of a licensed CTC within Twin Towers when it opens. While the original budget for Twin Towers included funding for a licensed CTC, the revised budget does not include this funding. Moreover, given its financial difficulties, the county does not have definite plans for establishing such a facility. To meet the

requirements of the court order, the LASD will soon need to address its lack of a licensed CTC.

RESPONSE:

The Sheriff's Department has already taken the next logical step regarding a CTC at Twin Towers when it opens. Specifically, were it not for the plan we developed to open the entire Facility it is highly probable that we could have lost possession of the entire complex, including the Medical Services building. Without the Medical Services building there would be no chance at all of having a CTC in the Twin Towers complex. Now we will have possession of the physical plant and the next step is to secure sufficient funding for personnel to meet CTC requirements. Once this is completed we can seek CTC licensure of the Medical Services capability in the Twin Towers complex.

■ 32. AUDIT REPORT (Section 4-11, paragraph 3):

Nonetheless, the LASD has based its revised budget for opening and operating Twin Towers upon optimistic revenue assumptions. Further, the LASD has not yet entered into agreements with agencies that will contract for jail beds, and it has overstated by \$624,000 its estimate of contract revenue for Fiscal Year 1997-98. Also, opportunities exist for the LASD to reduce the operating budget of Twin Towers by \$3.4 million to \$4.9 million annually.

RESPONSE:

We disagree with the consultants revenue reduction estimates. We believe that the plan presented to the CAO and the Board of Supervisors is funded appropriately considering all other factors involved. To budget less would likely result in eventual over-expenditures with no options to address the impact of such an event.

11**■ 33. AUDIT REPORT (Recommendations):**

To improve the planning and budgeting process within the LASD and to address the corrections problems within the county, the LASD should take the following steps:

- Reevaluate the revised budget for Twin Towers to make additional reductions in the annual operating costs. In particular, the LASD should closely review whether it can reduce costs by using inmate workers and whether it will need all the positions transferred from the Sybil Brand jail. In addition, the LASD should reduce its budgets for services and supplies, and overtime to more reasonable levels.
- Continue its efforts to obtain the revenue needed to make its revised budget and plan successful. Specifically, the LASD should continue to pursue contracts with the state and federal governments in which the LASD will provide jail beds. In addition, the LASD should determine funding sources for the renovation of the Sybil Brand jail and other capital improvements.

- Carefully scrutinize future budget requests, associated with new facilities and programs such as the upcoming request for reopening the Sybil Brand jail to ensure that the requests represent the most cost-effective plans. Also, the LASD should consider submitting in its future budget requests different options for service levels to allow the county to choose how it will implement the requests.

RESPONSE:

See responses to #7, 9 & 26.

■ **34. AUDIT REPORT (Appendix B)**

The consultant to the Bureau of State Audits reviewed the Los Angeles County Sheriff's Department (LASD) original budget for operating the new Twin Towers Correctional Facility (Twin Towers) and concluded that the budget sought more resources than necessary to achieve a reasonable minimum staffing level, particularly in light of Los Angeles County's (county) fiscal situation. Specifically, the LASD could have used existing staffing to offset some of the funding it requested. In addition, the LASD should have considered revising its policy that prohibits inmates from working at Twin Towers in order to lower operating costs at Twin Towers. Finally, if it had performed a more critical analysis of the staffing plans contained in the original budget, the LASD could have made more reductions in staffing. Our consultant thus estimates that the LASD could have reduced the original budget for Twin Towers by a total of \$19.5 million to \$21.8 million annually without significantly changing the intended operation of the facility.

Our consultant found that the LASD could have used existing budgeted positions to offset some of the operating costs listed in the LASD's original budget for operating Twin Towers. Specifically, the LASD could have included in the budget between 158 to 168 currently budgeted positions in custody, medical services, food services, and facilities management functions to offset the staffing and funding needed to open Twin Towers. Between 104 and 114 of these positions are currently unfilled positions that the LASD could have included in the staffing for Twin Towers. The remaining currently budgeted positions that the LASD should have incorporated into the original staffing plan are 54 positions currently occupied by custody and facilities management personnel who are part of the Twin Towers transition team.

These 158 to 168 positions include the following:

- **Custody:** 39 positions, all of which are currently filled;
- **Medical Services:** 83 to 88 positions, all currently unfilled due to the county's hiring freeze. Recently, the county approved many of these positions for funding and assignment of posts within the existing LASD jail system;
- **Food Services:** 21 to 26 positions, all unfilled; and,

- **Facilities Management:** 15 positions, all currently filled.

In its revised budget of October 10, 1996, the LASD used some of these positions in its revised staffing plan, and this transfer of these positions partially offset the costs needed to open Twin Towers. In addition, our consultant found no evidence that the LASD's use of these budgeted positions is temporary. Apparently, the LASD has determined that it does not need these positions to meet basic services requirements in their currently assigned units. If the LASD had made these previously budgeted positions available when it planned the original budget, the LASD could have reduced its original budget request by \$7.1 to \$7.4 million.

To maximize security, the LASD originally intended to operate Twin Towers without inmate workers. This policy constituted a significant change from operating practices at the seven other LASD jails, which generally use inmate workers within the facilities. The policy for Twin Towers would require more civilian workers to perform jobs usually assigned to inmate workers. Our consultant reviewed this policy and found that the LASD had not performed a full, accurate assessment of the costs and benefits of eliminating inmate workers from its jail staff. Thus, the decision not to use inmate workers at Twin Towers could increase costs beyond what is essential for basic operations. The functions affected by these cost increases include the following:

- **Kitchen staffing and security** - Using civilian workers would increase the cost to operate the kitchen by approximately \$2.9 million.
- **Warehouse-related staffing** - The additional annual cost of using civilians rather than inmates for warehouse-related functions is estimated at \$375,000.
- **Custodian staffing** - The annual cost for 21 custodian positions is \$509,000.
- **Laundry-related staffing** - The estimated annual cost for such positions is \$285,000.
- **Evidence and property clerk staffing at the inmate reception center** - At least 90 percent of the annual cost for 30 additional civilian clerks would run about \$790,000.

Our consultant estimates that the gross total cost of the no-inmate worker policy at Twin Towers is approximately \$4.9 million. Of course, if the LASD were to rethink this policy and decide to use inmate workers at Twin Towers, certain costs would offset some of the LASD's savings. If it used inmate workers at Twin Towers, the LASD would incur increased security costs of at least \$700,000 to \$1.7 million. Nonetheless, if the LASD assigned inmates to appropriate positions at Twin Towers, our consultant estimates that the LASD

could save from \$3.2 to \$4.2 million annually. Moreover, in its revised plan to open Twin Towers, the LASD does intend for inmate workers to perform some of the duties noted above.

Our consultant also reviewed how the LASD developed the original budget for Twin Towers and found little evidence that the LASD performed a systematic, critical assessment of the staffing plans for specific units to ensure that these plans included only those positions necessary to operate Twin Towers. As a result, the original budget presented questionable or no justification for many new personnel. Our consultant believes that a thorough, objective analysis of staffing requirements could have reduced the original budget proposal by approximately \$9.2 million to \$10.2 million without affecting materially the LASD's plans for operating the facility.

The following paragraphs describe specific examples of ways in which the LASD could have reduced staffing requests listed in the original budget plan:

- **Food services staffing** - The revised budget for Twin Towers includes only 54 new county positions, a decrease of 74 positions from the original budget. This decrease results in a total budget savings of about \$2 million. In our consultant's opinion, the LASD could have made most, if not all, of this reduction before it submitted the original budget to the county board of supervisors.
- **Records clerks and supervisors for the inmate reception center** - In the original budget, the LASD requested an increase of 93 clerks and supervisors, or about 50 percent more positions than the 183 positions the LASD has funded in the present inmate reception center. Being very conservative, our consultant estimates that the LASD could have deleted at least half of the requested increase, which would cost about \$1.6 million, without creating a negative impact on this job function.
- **Data systems staffing for the inmate reception center** - In the original budget the LASD included, at a total cost of \$303,000, five new positions related to data systems. However, the LASD eliminated these positions in the revised budget, and our consultant believes that the LASD could have done so in the original budget.
- **Staffing at the new medical services building** - Using higher levels than the State requires for licensure of a correctional treatment center (CTC), the LASD calculated nurse staffing on two floors of this hospital. As a result, the original budget included 20 more nursing positions than CTC licensing requires, at an annual cost of more than \$900,000. Also, the LASD requested 76 positions for the medical service building's fourth floor, which was planned as a 50-bed acute mental health ward. However, the county's Medical Health Department was to provide staffing and funding for the 28 mental health positions that CTC licensure requires. Thus, the LASD would only need to provide some of the 76 positions it had originally intended

to staff the mental health ward. Our consultant estimates that the LASD could have reduced this part of the original budget request by an additional \$1.5 to \$2 million annually.

- **Custody staffing** - In the revised budget, the LASD lowered the operating costs related to Tower One by \$3.3 million without changing its intended use. Some of this cost reduction results from the LASD's reducing the number of new positions at Tower One, and the balance is due to the LASD's plan to expand its use of custody assistants in lieu of higher-salaried deputies. Our consultant concluded that the LASD could have made these changes in its original budget for Twin Towers.

RESPONSE:

These pages comprise the report of the consultant retained by the State Auditors. We disagree with most of the consultant's conclusions primarily based upon the fact that he continually asserts that all of these changes could have been made prior to submitting the original budget. In one example, the consultant stated that the intended use of the facility was not changed, yet his report cites the lack of CTC licensure as a significant point that was in fact not implemented. Consequently, we disagree in that many of his options were not viable based upon the original operational concepts and intent of the Facility. It was not until the high probability of losing the entire complex came to light that many of the last ditch efforts that resulted in many of the operational changes, which made the adopted plan viable, were developed. For example, the consultant concluded that more resources were sought when existing budgeted positions were not used to offset some of the operating costs listed in the original budget. In fact, this was the case for the Facilities Management positions. Also, the consultant's statement to use frozen medical services positions is in direct conflict with the consultant's statement that many of these items have now been funded for other facilities. Hence, these proposed offsets were not available for Twin Towers.

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The consultant has challenged how we arrived at the point that we did, even though he apparently agrees that the point that we are at is appropriate.

Comments

California State Auditor's Comments on the Response From the Los Angeles County Sheriff's Department

To provide clarity and perspective, we are commenting on the Los Angeles County Sheriff's Department's (LASD) response to our audit report. The numbers correspond to the numbers we have placed in the response.

- ① As stated on page 35 of our report, we are recommending that the LASD study the use of the "custodial officer" position as defined by the California Penal Code, Sections 831 and 831.5, rather than an expansion of the use of the LASD's current custody assistant classification.
- ② In its response, the LASD implies that we recommend that it should "...completely change over the largest jail system in the United States..." and that such a change would be "...sure prescription for failure...." However, the LASD misunderstands our recommendations.

First, on pages 5-5 and 44 of our report, we clearly recommend that the LASD undertake a thorough and objective analysis of the feasibility of converting the custody staff of the county jails from sworn officers to corrections officers. At no point do we suggest a complete change without the feasibility study. Moreover, it is imprudent for the LASD to completely reject the feasibility of this concept before initiating the study.

Secondly, the LASD implies that the size of Los Angeles County makes it not feasible to civilianize its jail operations. However, the LASD has not provided any evidence to support this position. In the absence of evidence to the contrary, our consultant continues to believe that size alone would not prevent the concept of using corrections officers in the Los Angeles County's jails from being practical.

- ③ Our report recommends that the LASD analyze whether costs can be reduced through the use of inmate workers. The LASD's response states that such cost reductions are not worth the "identified consequences," but the LASD has not provided us an

estimate of the magnitude of these consequences. Also, there is no discussion of the other costs and potential inmate problems, such as the 400 to 500 inmates who now will have nothing to do.

Inmate workers are currently used in all other LASD jails, including areas housing maximum security prisoners who will be transferred to Twin Towers. Twin Towers was designed originally with dormitory space for inmate workers. The LASD's decision to eliminate these workers was made without an analysis of the costs and benefits. However, the LASD did analyze the use of inmate workers in the kitchen of Twin Towers, which our consultant reviewed and found that it was inaccurate and neglected to include about \$1.1 million in employee costs to replace all inmate workers.

The revised budget for Twin Towers contains 30 new evidence and property clerks in the inmate reception center to replace inmate workers who currently perform this function without direct surveillance by custody personnel. The LASD's intent is to improve the care and control for prisoner clothing and other property. However, this improvement in service is accomplished at an annual cost of \$790,000. This is an example of a decision that has been made which our consultant believes the LASD should evaluate in terms of costs and benefits.

- ④ As stated on page 56 of our report, we found that the LASD has budgeted services and supplies, as well as staff overtime, at proportionally higher levels at Twin Towers than the amounts incurred at the LASD's other jails during fiscal year 1995-96. Furthermore, the LASD provided us no evidence that would lead us to believe that the costs for services and supplies or staff overtime at Twin Towers should be proportionally higher than the same costs at any of the LASD's other jails. We recognize that the LASD does not have experience with operating Twin Towers. However, the LASD's lack of experience in operating Twin Towers does not justify requesting budgets that overstate by \$1.4 to \$2.4 million the amount that the LASD will likely spend at Twin Towers for services and supplies or staff overtime. Thus, the LASD should reduce the budgeted amounts for services and supplies, as well as staff overtime, to more reasonable levels.
- ⑤ The LASD's response misses the point of our consultant's analysis. The issue our report addresses is the replacement of sworn officers with corrections officers, not the overall number of custody staff that the LASD believes it needs to operate the jails. Whether the LASD is twice as cost effective as New York City, or ten times as cost effective, is irrelevant to this

issue. What is relevant is whether civilianization of the custody staff of the county's jails represents a feasible alternative that will reduce the LASD's annual costs to operate the jails by millions of dollars by replacing the more costly sworn officers.

Our consultant also believes that staffing comparisons among corrections agencies is ill-advised. In addition to the usual problems of determining what is contained in each organization's budget, there is the more significant issue of differing jail facilities and inmate programs. The number of personnel required to operate a county's jails is affected by many factors, but is substantially dependent upon (1) the number, type, and physical design of its facilities, and (2) the number and content of its programs for alternatives to incarceration. Again, our point is to have costly LASD sworn officers replaced by civilian corrections officers.

- ⑥ As stated on pages 37 to 41 of our report, we are presenting the advantages and disadvantages of using corrections officers as reported to us by responsible officials of seven other California counties. Moreover, our recommendation on page 44 of the report states that the LASD study the feasibility of such a conversion in Los Angeles County, taking into consideration the potential advantages and disadvantages.
- ⑦ We are not recommending that the LASD alter its current custody assistant classification, but rather that it study the use of a custodial officer classification as defined by the California Penal Code, Sections 831 and 831.5. The LASD's study should include the advantages and disadvantages of using the custodial officer classification in place of deputy sheriffs in the county's jails.
- ⑧ The LASD's analysis is misleading and incorrect in that it compares total staffing of the Santa Clara County Corrections Department with only the deputy sheriff staffing of the LASD jails. Also, the Santa Clara County totals include personnel for prisoner transportation and the administrative requirements of a separate county department. Moreover, our consultant cautions against making inter-county corrections staffing comparisons as indicated previously in note 5.
- ⑨ The statement that the LASD would increase its staffing by 150 sworn officers was based upon our consultant's estimate using various LASD staffing and budget documents. During the audit, we requested data on the number of new positions by classification and were told it was not available. We can

neither confirm nor refute the LASD's numbers with the data we have been given. However, the issue of changes in budgeted sworn staffing is not critical to the essential audit conclusions and recommendation regarding jail civilianization.

- ⑩ On page 49 of our report, we recognize that the LASD did propose to operate Tower One of Twin Towers at an annual cost of \$36.3 million.
- ⑪ Our assessment that opportunities exist to reduce the revised Twin Towers budget by \$3.4 million to \$4.9 million is based on the following three findings: (As noted on pages 54 to 56 of our report.)
 - The potential for using inmate workers, which may generate a savings of \$1 to \$1.5 million. (See note 3 for more details.)
 - The potential for reducing budgets for services and supplies as well as overtime, which may generate a savings of \$1.4 to \$2.4 million. (See note 4 for more details.)
 - The temporary elimination of 18 excess positions for Tower Two that resulted from the direct transfer of all Sybil Brand staff instead of the position-by-position development of budgeted staffing. This factor alone could save the LASD about \$1 million annually until Sybil Brand reopens.

However, the LASD's response indicates it is unwilling to consider any of these three cost reduction options in spite of the county's fiscal condition and need for county departments to budget prudently.

- ⑫ The LASD's comments indicate that it does not believe that it needs to tightly budget until a time of crisis. However, Los Angeles County has been in a fiscal crisis since at least 1992. To open Twin Towers, the LASD should have realized it needed to prepare a budget for operating the facility that was realistic and that the county could afford. The LASD's original budget for operating Twin Towers was neither realistic nor affordable under Los Angeles County's continuing fiscal constraints and it was imprudent for the LASD to submit such a budget. In our view, the LASD could have made these reductions sooner since most of these changes were subsequently incorporated in the revised budget. Moreover, we recognize that the LASD has changed the intended operation of Twin Towers, but, the changes our consultant proposes in Appendix B could have been made by the LASD without changing the intended operation of Twin Towers, as stated on

page 67 of our report. The LASD's hesitance in making these reductions sooner unnecessarily delayed the opening of Twin Towers and the passage of the county's fiscal year 1996-97 budget.

- 13 As stated on page 49 of our report, the LASD's original budget for Twin Towers totaled \$149.3 million and required \$100.4 million in new county funding. The difference, \$48.9 million, represents existing resources that the LASD would use to offset the cost to operate Twin Towers. Moreover, as shown on pages 67 and 68 of our report, the LASD could have included in its original budget between 158 to 168 existing positions to offset the costs to operate Twin Towers.

Also, in the original budget, the LASD requested new county funding for all the facilities management positions that it assigned to Twin Towers; the LASD did not plan to use existing facilities management positions to offset the cost to operate the facility.

In regards to the frozen medical positions, there is nothing conflicting in the consultant's statement. The consultant is simply pointing out that the LASD could have decided earlier what it ultimately plans to do. That is, the LASD's revised plan to staff Twin Towers includes existing positions that were originally assigned to other jails.

cc: Members of the Legislature
 Office of the Lieutenant Governor
 Attorney General
 State Controller
 Legislative Analyst
 Assembly Office of Research
 Senate Office of Research
 Assembly Majority/Minority Consultants
 Senate Majority/Minority Consultants
 Capitol Press Corps